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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

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 01-01-2016 , and ending 12-31-2016

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

C Name of organization
Norton Hospitals Inc

Doing business as

Number and street (or P O box if mail is not delivered to street address) | Room/suite
Accounting 224 E Broadway 5th Floor

City or town, state or province, country, and ZIP or foreign postal code
Louisville, KY 40202

D Employer identification number
61-0703799

E Telephone number
(502) 629-8263

G Gross receipts $ 1,799,925,999

F Name and address of principal officer
RUSSELL F COX
4967 US Highway 42 Suite 100
Louisville, KY 40222

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 nortonhealthcare com

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

L Year of formation 1969

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
NORTON HOSPITALS, INC 'S PURPOSE IS TO PROVIDE QUALITY HEALTH CARE TO ALL THOSE WE SERVE, IN A MANNER THAT RESPONDS TO THE NEEDS OF OUR COMMUNITIES AND HONORS OUR FAITH HERITAGE

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	22
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	**5**	10,685
6	Total number of volunteers (estimate if necessary)	**6**	1,668
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,669,848
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	12,790,617	8,807,315
9	Program service revenue (Part VIII, line 2g)	1,713,698,108	1,779,899,221
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	80,612	-596,100
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,508,605	10,108,646
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,730,077,942	1,798,219,082
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	604,145,209	626,069,126
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	864,571,485	912,231,135
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,468,716,694	1,538,300,261
19	Revenue less expenses Subtract line 18 from line 12	261,361,248	259,918,821

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,716,731,667	1,986,025,406
21	Total liabilities (Part X, line 26)	120,159,373	129,728,663
22	Net assets or fund balances Subtract line 21 from line 20	1,596,572,294	1,856,296,743

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

****** 2017-11-07
Signature of officer Date

Michael W Gough TREASURER & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Rachel Spurlock	Rachel Spurlock			P00520729

Firm's name ▶ CROWE HORWATH LLP — Firm's EIN ▶ 35-0921680
Firm's address ▶ 9600 Brownsboro Road Suite 400 Louisville, KY 402411122 — Phone no (502) 326-3996

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

NORTON HOSPITALS, INC 'S PURPOSE IS TO PROVIDE QUALITY HEALTH CARE TO ALL THOSE WE SERVE, IN A MANNER THAT RESPONDS TO THE NEEDS OF OUR COMMUNITIES AND HONORS OUR FAITH HERITAGE

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 1,509,248,906 including grants of $) (Revenue $ 1,784,105,051)

See Additional Data

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 1,509,248,906

Part IV Checklist of Required Schedules

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

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**	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	**20b**	Yes	
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**		No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	302		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	**1c**		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a**	10,685		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	**2b**		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	**3a**		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	**3b**		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . .	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	**5a**			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	**5b**			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	**5c**			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	**6a**			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	**6b**			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	**7a**			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	**7b**			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	**7c**			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	**7e**			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	**7f**			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	**7g**			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	**7h**			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	**8**			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	**9a**			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	**9b**			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	**13a**			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	**14a**			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	**14b**			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	23		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	22		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

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

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

Section C. Disclosure

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

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

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶Helena Schulz Accounting 224 E BROADWAY 5th Fl Louisville, KY 40202 (502) 629-8263

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								7,328,540	5,299,180	1,759,836

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 ▶ 365

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
UNIVERSITY OF LOUISVILLE 323 E CHESTNUT ST LOUISVILLE, KY 40202	RESIDENCY PROGRAM	10,298,399
Messer Construction Co 5158 Fishwick Dr Cincinnati, OH 452162216	CONSTRUCTION	10,042,663
Morrison Management Specialist 353 NORTH CLARK ST PO Box 102289 Atlanta, GA 303682289	Dietary Services	7,662,710
Jenner & Block LLP 353 North Clark St Chicago, IL 606543456	Legal services	5,558,916
Wehr Constructores Inc 2517 Plantside Dr Louisville, KY 40299	Construction	5,415,107

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 ▶ 112

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	8,807,315			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $ _____					
	h **Total.** Add lines 1a-1f . . . . . ▶		8,807,315			

Program Service Revenue		Business Code				
	2a Net Patient Revenue	621110	1,778,527,590	1,772,928,309	5,599,281	
	b Healthcare Education	611710	1,371,631	1,371,631		
	c _____					
	d _____					
	e _____					
	f All other program service revenue		0	0	0	0
	g **Total.** Add lines 2a–2f . . . . ▶		1,779,899,221			

Other Revenue					
	3 Investment income (including dividends, interest, and other similar amounts) . . . . . ▶				
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties . . . . . ▶				
	6a Gross rents — (i) Real: 1,330,295 — (ii) Personal:				
	b Less rental expenses — (i) Real: 1,097,327 — (ii) Personal:				
	c Rental income or (loss) — (i) Real: 232,968 — (ii) Personal: 0				
	d Net rental income or (loss) . . . . . ▶	232,968			232,968
	7a Gross amount from sales of assets other than inventory — (i) Securities: — (ii) Other: 13,490				
	b Less cost or other basis and sales expenses — (i) Securities: — (ii) Other: 609,590				
	c Gain or (loss) — (i) Securities: 0 — (ii) Other: -596,100				
	d Net gain or (loss) . . . . . ▶	-596,100			-596,100
	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 Settlement Proceeds	900099	5,055,365	5,055,365	
	b Purchasing Co-Op Inc	561499	2,111,255	2,040,688	70,567
	c Parking Income	812930	1,219,559	1,219,559	
	d All other revenue		1,489,499	1,489,499	0	0
	e **Total.** Add lines 11a–11d . . . . . ▶		9,875,678			
	12 Total revenue. See Instructions . . . . . ▶		1,798,219,082	1,784,105,051	5,669,848	-363,132

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) Fundraisingexpenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21				
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, line 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,999,881	1,999,881		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	289,206	289,206		
7 Other salaries and wages	495,095,596	495,095,596		
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	33,261,386	33,261,386		
9 Other employee benefits	61,568,819	61,568,819		
10 Payroll taxes	33,854,238	33,854,238		
11 Fees for services (non-employees)				
a Management				
b Legal	7,700,498	7,700,498		
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	135,287,759	135,287,759	0	0
12 Advertising and promotion				
13 Office expenses	8,469,972	8,469,972		
14 Information technology				
15 Royalties . .				
16 Occupancy	21,189,478	21,189,478		
17 Travel	762,121	762,121		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .				
19 Conferences, conventions, and meetings				
20 Interest	36,660,627	36,660,627		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization . .	58,955,796	58,955,796		
23 Insurance . . .	11,512,305	11,512,305		
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	388,292,155	388,292,155		
b Allocated Support	152,901,868	123,850,513	29,051,355	
c Bad Debt	54,916,368	54,916,368		
d Provider Tax	20,129,732	20,129,732		
e All other expenses	15,452,456	15,452,456	0	0
25 **Total functional expenses.** Add lines 1 through 24e	1,538,300,261	1,509,248,906	29,051,355	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 IX . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing	41,394	1	54,780
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	218,135,155	4	218,152,500
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	0
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	45,577,954	8	48,072,804
	9	Prepaid expenses and deferred charges	1,666,250	9	2,365,268
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 1,439,580,335			
	b	Less accumulated depreciation — 10b: 830,246,886	596,166,510	10c	609,333,449
	11	Investments—publicly traded securities		11	
	12	Investments—other securities See Part IV, line 11	0	12	
	13	Investments—program-related See Part IV, line 11	0	13	
	14	Intangible assets	7,445,984	14	7,445,984
	15	Other assets See Part IV, line 11	847,698,420	15	1,100,600,621
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,716,731,667	16	1,986,025,406
Liabilities	17	Accounts payable and accrued expenses	86,831,831	17	88,956,693
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	33,327,542	25	40,771,970
	26	**Total liabilities.** Add lines 17 through 25	120,159,373	26	129,728,663
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	1,591,806,040	27	1,851,180,344
	28	Temporarily restricted net assets	4,766,254	28	5,116,399
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	1,596,572,294	33	1,856,296,743
	34	Total liabilities and net assets/fund balances	1,716,731,667	34	1,986,025,406

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,798,219,082
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,538,300,261
3	Revenue less expenses Subtract line 2 from line 1	3	259,918,821
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,596,572,294
5	Net unrealized gains (losses) on investments	5	
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	-194,372
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,856,296,743

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 61-0703799
Name: Norton Hospitals Inc

Form 990, Part III, Line 4a:

Norton Hospitals, Inc (NHI) was formed to I) provide on a nonprofit basis, hospital or health care facilities and services for the care and treatment of ill and injured persons and those who otherwise require medical care and related services of the kind customarily furnished most effectively by hospitals or health care facilities, II) conduct educational activities related to rendering care to the sick and injured, III) promote and conduct scientific research related to the care of the sick and injured NHI has a total of 1,837 licensed beds, Norton Hospital - 605 beds, Norton Children's Hospital - 300, Norton Audubon Hospital - 432 beds Norton Women's and Children's Hospital - 373 beds, and Norton Brownsboro Hospital - 127 beds These hospitals operate twenty-four (24) hours a day, seven (7) days a week In 2016, NHI's hospitals and diagnostic centers served 68,189 inpatients, 508,353 outpatients, and 246,963 emergency department visits In addition, NHI's operating rooms cared for 20,391 inpatient surgical patients and 35,415 outpatient surgical patients Additionally, 7,932 deliveries were performed at NHI birthing centers Under its charity care program, NHI provided free care to 22,707 patients, at a cost of $9 3 million Also, NHI grants patients a discount from billed charges to any individuals that have no access to private health insurance or do not qualify for government assistance or charity care Under this program, 14,603 patients were provided care at discounted rates Other contributions to the community were the unpaid cost of Medicaid services of $97 2 million and educational support of $35 0 million, primarily to the University of Louisville's School of Medicine Also, community health improvement services totaled $12 6 million, contributions to community groups were $1 8 million, the Kentucky Poison Control Center was $1 0 million, and the Child Guidance and Advocacy Program was $388,000

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Stephen A Williams CEO/Trustee	10 0 40 0	X		X				0	2,140,771	85,700
Donald H Robinson Chair	1 0 13 5	X						0	0	0
Gary L Stewart Vice Chair & Chair Elect	1 0 6 5	X						0	1,600	0
Maria L Bouvette Trustee	1 0 2 5	X						0	1,600	0
Brendan Canavan Trustee	1 0 2 5	X						0	1,600	0
Sue Davis EdD RN Trustee	1 0 2 5	X						0	1,600	0
Lee K Garlove Trustee	1 0 3 5	X						0	1,600	0
Maria Gerwing Hampton Trustee	1 0 5 5	X						0	1,600	0
Craig D Grant Trustee	1 0 2 5	X						0	1,600	0
Louis Heuser Trustee (partial year)	1 0 2 5	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Martha K Heyburn MD Trustee	10 45	X						0	1,600	0
Richard R Ivey Trustee	10 25	X						0	1,600	0
Ronald Lehocky MD Trustee	10 45	X						0	1,600	0
Gail Lyttle Trustee	10 25	X						0	1,600	0
Gregory E Mayes Trustee	10 65	X						0	1,600	0
Maureen McGowan Trustee	10 25	X						0	0	0
Edie Nixon Trustee	10 55	X						0	1,600	0
Barry Pennybaker Trustee	10 25	X						0	1,600	0
Erwin Roberts Trustee	10 25	X						0	1,600	0
G Hunt Rounsavall Jr Trustee	10 65	X						0	1,600	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Dr Rita Hudson Shourds Trustee	1 0 2 5	X						0	0	0
Rev William J Schultz Trustee	1 0 4 5	X						0	1,600	0
James L Sublett MD Trustee	1 0 2 5	X						0	1,600	0
Richard S Wolf MD Honorary Chair Emeritus	1 0 3 5	X						0	1,600	0
Joseph J McGowan EdD Trustee (partial year)	1 0 2 5	X						0	0	0
Russell F Cox President	10 0 40 0			X				0	1,332,366	381,368
Michael W Gough Sr VP CFO/Treasurer	10 0 40 0			X				0	1,114,894	317,579
Robert B Azar Sys VP Chief Legal Officer/Secretary	10 0 40 0			X				0	680,749	121,650
Thomas Kmetz Division President Women and Children Services	50 0 1 0				X			711,931	0	162,491
Joseph Flynn Physician-in-Chief NCI	50 0 0				X			518,932	0	114,168

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Kevin Wardell Hospital CAO	50 0 0				X			495,598	0	20,994
Charlotte Ipsan Hospital CAO	50 0 0				X			440,027	0	109,652
Matthew Ayers Hospital CAO	50 0 0				X			404,738	0	88,302
Brian Stoll MD Physician	50 0 0					X		779,582	0	46,186
Aaron Spalding MD Physician	50 0 0					X		776,220	0	55,354
Michael Hahl MD Physician	50 0 0					X		770,266	0	52,195
Mark Cornett MD Physician	50 0 0					X		768,342	0	59,314
Yong Cha MD Physician	50 0 0					X		762,979	0	52,223
John Harryman Former Hospital CAO	0 0 0						X	548,789	0	80,581
Steven MacLauchlan Former Hospital President	0 0 0						X	128,375	0	159

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Steven Pursell VP Medical Director NCI	50 0 0						X	222,761	0	11,920

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

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 12, 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 agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university

_____

10 ☐ 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)

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

12 ☐ 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 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g

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- 10 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, 8, or 9 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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
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)2012	(b)2013	(c)2014	(d)2015	(e)2016	(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 2016 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2015 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2016.** 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—2015.** 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—2016.** 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—2015.** 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 10 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) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(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) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(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 2016 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2016** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2015** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2016.** 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—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I If you checked 12a of Part I, complete Sections A and B If you checked 12b of Part I, complete Sections A and C If you checked 12c of Part I, complete Sections A, D, and E If you checked 12d 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 12a or 12b 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 line 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)	1		
a	Average monthly value of securities	1a		
b	Average monthly cash balances	1b		
c	Fair market value of other non-exempt-use assets	1c		
d	**Total** (add lines 1a, 1b, and 1c)	1d		
e	**Discount** claimed for blockage or other factors (explain in detail in Part VI)			
2	Acquisition indebtedness applicable to non-exempt use assets	2		
3	Subtract line 2 from line 1d	3		
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6	Multiply line 5 by 035	6		
7	Recoveries of prior-year distributions	7		
8	**Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount

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

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

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

Section D - Distributions	**Current Year**
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 **Total annual distributions.** Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2016 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-2016**	**(iii) Distributable Amount for 2016**
1 Distributable amount for 2016 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2016 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2016			
a			
b			
c From 2013.			
d From 2014.			
e From 2015.			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2016 distributable amount			
i Carryover from 2011 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2016 from Section D, line 7 $			
a Applied to underdistributions of prior years			
b Applied to 2016 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2017.** Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b Excess from 2013.			
c Excess from 2014.			
d Excess from 2015.			
e Excess from 2016.			

Part VI **Supplemental Information.**

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

Facts And Circumstances Test

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493317031577

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

2016

Open to Public Inspection

If the organization answered "Yes" on Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then
- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" on Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	**Employer identification number**
Norton Hospitals Inc	61-0703799

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

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

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

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

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

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

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
2				
3				
4				
5				
6				

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2013	**(b)** 2014	**(c)** 2015	**(d)** 2016	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		66,834
j	Total Add lines 1c through 1i			66,834
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	NORTON HOSPITALS, INC PAYS DUES TO THE KENTUCKY HOSPITAL ASSOCIATION A PORTION OF THOSE DUES IN THE AMOUNT OF $66,834 IS SPENT ON LOBBYING
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	NORTON HOSPITALS, INC PAYS DUES TO THE KENTUCKY HOSPITAL ASSOCIATION A PORTION OF THOSE DUES IN THE AMOUNT OF $66,834 IS SPENT ON LOBBYING

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part IV Escrow and Custodial Arrangements.

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

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

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

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

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

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

Part V Endowment Funds. Complete if the organization answered "Yes" 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	18,722,595	20,430,388	20,805,488	17,481,086	16,388,339
b Contributions	31,092	-86,737	-90,195	1,923,249	-79,862
c Net investment earnings, gains, and losses	987,970	-772,654	489,431	1,984,289	1,540,851
d Grants or scholarships					
e Other expenditures for facilities and programs	898,627	848,402	774,336	583,136	368,242
f Administrative expenses					
g End of year balance	18,843,030	18,722,595	20,430,388	20,805,488	17,481,086

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 95 94 %
- c Temporarily restricted endowment ▶ 4 06 %

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' 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		25,560,360		25,560,360
b Buildings		743,414,659	322,129,470	421,285,189
c Leasehold improvements				
d Equipment		611,510,345	501,313,197	110,197,148
e Other		59,094,971	6,804,219	52,290,752
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				609,333,449

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. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
(1) RECEIVABLE FROM AFFILIATE	1,062,948,333
(2) PHYSICIAN GUARANTEE ASSET	
(3) INVESTMENT IN PREMIER PURCHASING PARTNERS LP	37,191,725
(4) MISCELLANEOUS RECEIVABLES	460,563
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	1,100,600,621

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	
DUE TO THIRD PARTY PAYORS	33,470,261
PHYSICIAN GUARANTEE LIABILITY	
ASSET RETIREMENT OBLIGATION	7,301,709
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	40,771,970

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	1,803,815,454
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	9,565,984		
e	Add lines **2a** through **2d**			2e	9,565,984
3	Subtract line **2e** from line **1**			3	1,794,249,470
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	3,969,612		
c	Add lines **4a** and **4b**			4c	3,969,612
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	1,798,219,082

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	1,547,866,245
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	9,565,984		
e	Add lines **2a** through **2d**			2e	9,565,984
3	Subtract line **2e** from line **1**			3	1,538,300,261
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	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	1,538,300,261

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 61-0703799
Name: Norton Hospitals Inc

Supplemental Information

Return Reference	Explanation
Schedule D, Part V, Line 4 Intended uses of endowment funds	THE CHILDREN'S HOSPITAL FOUNDATION, INC AND NORTON HEALTHCARE FOUNDATION, INC UTILIZE IN COME GENERATED FROM ENDOWMENT FUNDS TO SUPPORT VARIOUS PROGRAMS AND SERVICES AND CAPITAL P ROJECTS FOR THE BENEFIT OF NORTON HOSPITALS, INC

Supplemental Information

Return Reference	Explanation
Schedule D, Part XI, Line 2(d) Other revenues in audited financial statements not in form 990	Rental expenses-salaries - 181716 Rental expenses-other - 915611 Rental income-Internal - 8106924 Gain/Loss on sale of assets - 596100 Fees and Special Services - -234367

Supplemental Information

Return Reference	Explanation
Schedule D, Part XI, Line 4(b) Other revenues in form 990 not in audited financial statements	Contributions & Grants - 7432844 Assets Released-Programs - -3279881 Assets Released-Finan cial Asst - -160490 Assets Released-PP&E - -3456106 Equipment Contribution Rec'd - 3433245

Supplemental Information

Return Reference	Explanation
Schedule D, Part XII, Line 2(d) Other expenses in audited financial statements not in form 990	Rental expenses-salaries - 181716 Rental expenses-other - 915611 Rental income-internal - 8106924 Gain/loss on sale of assets - 596100 Fees and special services - -234367

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 30000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b		No
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other ____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			9,330,606	1,829,528	7,501,078	0 51 %
b Medicaid (from Worksheet 3, column a)			416,139,696	318,968,099	97,171,597	6 55 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			671,925	4,169,602	0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	426,142,227	324,967,229	104,672,675	7 06 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			10,564,448	2,281,220	8,283,228	0 56 %
f Health professions education (from Worksheet 5)			40,892,045	4,601,552	36,290,493	2 45 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			2,624,845	0	2,624,845	0 18 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,576,244	0	2,576,244	0 17 %
j **Total.** Other Benefits	0	0	56,657,582	6,882,772	49,774,810	3 36 %
k **Total.** Add lines 7d and 7j	0	0	482,799,809	331,850,001	154,447,485	10 41 %

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					0	0 %
2 Economic development					0	0 %
3 Community support			1,458,073	0	1,458,073	0 10 %
4 Environmental improvements					0	0 %
5 Leadership development and training for community members					0	0 %
6 Coalition building					0	0 %
7 Community health improvement advocacy			185	0	185	0 %
8 Workforce development			850	0	850	0 %
9 Other					0	0 %
10 Total	0	0	1,459,108	0	1,459,108	0 10 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	54,916,368		
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	1,769,410		
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	333,181,733		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	338,131,360		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-4,949,627		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

5

	Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

A

Name of hospital facility or letter of facility reporting group _____

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

		Yes	No
Community Health Needs Assessment			
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		No
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	Yes	
If "Yes," indicate what the CHNA report describes (check all that apply)			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The significant health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☑ The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j ☐ Other (describe in Section C)			
4 Indicate the tax year the hospital facility last conducted a CHNA 20 16			
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes	
6 a 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	Yes	
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	Yes	
7 Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a ☑ Hospital facility's website (list url) nortonhealthcare com/pages/communityneeds aspx			
b ☐ Other website (list url) _____			
c ☐ Made a paper copy available for public inspection without charge at the hospital facility			
d ☐ Other (describe in Section C)			
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes	
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 16			
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
If "Yes" (list url) nortonhealthcare com/pages/communityneeds aspx **a**			
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a		No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c If "Yes" on line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

A

Name of hospital facility or letter of facility reporting group _____

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 300 0 % and FPG family income limit for eligibility for discounted care of _____ %			
b	☐ Income level other than FPG (describe in Section C)			
c	☑ Asset level			
d	☐ Medical indigency			
e	☑ Insurance status			
f	☑ Underinsurance discount			
g	☐ Residency			
h	☐ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☑ Other (describe in Section C)			
16	Was widely publicized within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) www nortonhealthcare com/FAP			
b	☑ The FAP application form was widely available on a website (list url) www nortonhealthcare com/FAP			
c	☑ A plain language summary of the FAP was widely available on a website (list url) www nortonhealthcare com/FAP			
d	☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	☑ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h	☑ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	☑ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j	☑ Other (describe in Section C)			

Part V Facility Information *(continued)*

Billing and Collections

A

Name of hospital facility or letter of facility reporting group _____

		Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	**17**	Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
f ☑ None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring , denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ 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 ☐ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
b ☐ Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
c ☑ Processed incomplete and complete FAP applications			
d ☑ Made presumptive eligibility determinations			
e ☐ Other (describe in Section C)			
f ☐ None of these efforts were made			

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

A

Name of hospital facility or letter of facility reporting group

		Yes	No
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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b ☐	The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c ☑	The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d ☐	The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? **23**		No
	If "Yes," explain in Section C		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? **24**		No
	If "Yes," explain in Section C		

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

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

Form and Line Reference	Explanation
See Add'l Data	

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)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Line 7, Input 7 STATE FILING OF COMMUNITY BENEFIT REPORT	NOT REQUIRED AT THIS TIME

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 6b Community Benefit Report	The annual community benefit initiative report is for all five hospitals in Norton Hospitals, Inc (NHI) and is contained in the report prepared by NHI's parent corporation, Norton Healthcare, Inc

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 PROMOTION OF COMMUNITY HEALTH	Four faith community nurses earned a new certification available through the American Nurs es Credentialing Center (ANCC) Through a Norton Healthcare Foundation grant of $4,650 00, certification fees were covered Mentored closely by FHM, all four earned the faith commu nity nurse certification Through Norton Faith and Health Ministries, a total of nine nurs es have earned their RN-BC Norton Heart Care Norton Heart Care provides the region's most comprehensive screening, education and prevention program and is committed to educating o ur community about heart health and risk factor management In 2016 * Norton Women's Hear t & Vascular Center offered its free Circle of Hearts program, a quarterly heart disease a nd prevention class that focuses on heart health education and other wellness issues of in terest to women and also offered Yoga and Tai Chi classes * Norton Women's Heart & Vascul ar Center attended heart health community events, including health fairs, presentations an d speaking engagements representing businesses, churches, women's groups and health care p rofessionals * At Norton Women's and Norton Children's Hospital women who had experienced pregnancy-related complications were visited by a registered nurse who provided heart hea lth education, resource referrals and a baby blanket, including a Go Red for Women message * Norton Women's Heart & Vascular Center offers the only WomenHeart Support group in Ken tucky, and Norton Heart Care is the only hospital in Kentucky to be a WomenHeart National Hospital Alliance Member WomenHeart is the national coalition for women living with cardi ovascular disease and is the only patient-centered program offering support and education for women living with cardiovascular disease Norton Heart Care supported two women heart survivors and sent them to the Mayo Clinic to be trained at the WomenHeart Symposium to pr ovide support and education to our Norton Heart Care patients and to the women in our comm unity living with cardiovascular disease In 2016, the WomenHeart program provided * The monthly WomenHeart Support Group is offered at the Marshall Women's Health and Education C enter It is led by the WomenHeart Champions and a nurse from the Women's Heart and Vascul ar Center, who provide emotional support as well as education on healthy nutrition, exerci se, and stress management * The WomenHeart Champions provide support and education to wom en preparing to undergo cardiac surgeries or procedures and also to women who were in the recovery phase of their cardiac surgery or procedure * The WomenHeart Champions attend co mmunity events, health fairs, and providing educational presentations to businesses, churc hes, women groups, and healthcare professionals Norton Orthopaedic Care * Norton Orthopae dic Care earned The Joint Commission's Gold Seal of Approval for knee and hip replacement This recognition confirms Norton Orthopaedic Care provides a consistently high level of q uality care, expert training on best practices, a team approach to patient care and a cult ure of excellence throughout Norton Healthcare hospitals and doctors' offices * Norton Or thopaedic & Hand Center near the campus of Norton Brownsboro Hospital is a state-of-the-ar t facility with specialists of Norton Orthopaedic Care, Norton Sports Health and Norton He althcare to provide a multidisciplinary approach to innovative orthopaedic care The facil ity supports research, training and education It also offers patients subspecialized trai ned orthopaedists, a Norton Immediate Care Center with a focus on orthopaedics, rehabilita tion services, advanced sports training and primary care services with an emphasis on orth opaedics Women's services * In 2016, Norton Women's Care birthing facilities at Norton Ho spital and Norton Women's and Children's Hospital provided the care and medical services f or 7,932 deliveries * Free childbirth education classes were provided at Norton Hospital and Norton Women's and Children's Hospital Office of Child Advocacy * Norton Children's H ospital is home to the Kentucky Poison Control Center In 2016, the center received more t han 50,000 calls and made nearly 37,000 follow-up calls to concerned families from all 120 counties in Kentucky The center provided treatment consultation and education about how to correctly handle exposures to poisons In addition, the center distributed more than 30 ,000 prevention education resources to physicians' offices, health departments and schools and more than 1,400 packets of materials to individuals who called the toll-free Poison H elp Line, (800) 222-1222, available 24 hours a day, 7 days a week * Child passenger safet y technicians from Norton Children's Hospital check car and booster seats and provide car and booster seats at free checkup clinics statewide * Norton Children's Hospital's Bike R odeo Program saw students grades three through five throughout Kentucky and provided bike safety "rodeos " * Following interactive classroom

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 PROMOTION OF COMMUNITY HEALTH	lessons on pedestrian safety elementary school students and teachers participated in "Saf e Kids Walk This Way," a program led by Norton Children's Hospital The program is designe d to reduce the number of pedestrian injuries * Norton Children's Hospital's "Just for Ki ds" Transport Team transports babies and children from across the region to Norton Childre n's Hospital Transportation was provided by airplane, helicopter and specially equipped a mbulances (mobile intensive care units) * Kindergarten students, teachers, chaperones and nursing students participated in the 33rd annual Children & Hospitals Week event led by N orton Children's Hospital The program was held at Louisville Slugger Field and supported by a Kohl's Cares grant Children & Hospitals Week, held each year in March, is designed t o teach safe decisions and behaviors and help lessen the fear and anxiety children may hav e about coming to a hospital

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 PROMOTION OF COMMUNITY HEALTH	Norton Neuroscience Institute Norton Neuroscience Institute is continuing its quest to be the regional and national leader in treatment, research and academic training for adult an d pediatric neuroscience disciplines Norton Neuroscience Institute allows patients to be treated for neurological disorders without having to leave the region for care Subspecial ty neurosurgeons, neurologists and other neurological-related specialists have joined the growing institute These physicians and advanced level practitioners provide expertise in stroke care, epilepsy, Parkinson's disease, multiple sclerosis, ALS, brain tumors, headach es, concussions, spine care and many other neurological conditions The following services also are available to our community as a result of Norton Healthcare's significant commit ment to the best neurological care * An endovascular neurosurgery team is available at tw o Norton Healthcare facilities, making advanced stroke, aneurysm and arteriovenous malform ation (random brain hemorrhage or rupture) treatment possible for our patients Neurosurge ry teams are on call and cover all facilities for emergency situations * A state-of-the a rt epilepsy center at Norton Brownsboro Hospital provides the region's most advanced epile psy monitoring unit and is dedicated to providing accurate diagnoses and quality care for individuals living with seizures and epilepsy As part of Norton Neuroscience Institute's multidisciplinary approach to epilepsy care, the Norton Brownsboro Hospital epilepsy monit oring unit is a specialized inpatient unit designed to evaluate and diagnose seizure disor ders Norton Neuroscience Institute has expanded the treatment options in neurosurgery tre atment for patients with brain tumors, lesions and epilepsy to offer less invasive surgica l options With the use of a robotic neurosurgery technology a robotic arm assists the neu rosurgeon in pinpointing a trajectory in the brain of where their treatment needs to be ta rgeted Taking that technology a step further, once the trajectory is set, the neurosurgeo n can use image-guided laser technology to treat brain tumors and lesions in the brain Al l of this is done through a small incision about the size of a spaghetti noodle It is mor e comfortable for the patient and reduces the recovery time * A centralized Norton Neuros cience Institute Resource Center is available to patients, offering free education and sup port services The resource center offers support services and resources to bridge the gap between managing a neurological condition and improving the quality of life The center o ffers support groups, educational, therapeutic and exercise programs The center may also assist with access to medical care and medical equipment and referrals to community and ho me health services In addition, patients have access to National Institutes of Health cli nical trials through the center * The region's first rehabilitation program focused on tr eating patients with orthopedic, neurological and spine disorders has the only Lokomat sys tem and the DIERS formetric scanner Lokomat assists with walking movements for patients r eceiving therapy for paralysis or movement disorders and Norton Healthcare is the only fac ility in Louisville to offer this treatment DIERS formetric scanner is used for spine and posture analysis Norton Healthcare is the only healthcare system in the region to provid e this state of the art technology Prevention and Wellness * In 2016, the Norton Healthca re Prevention & Wellness staff provided cancer screenings and/or cardiovascular screenings involving the Norton Healthcare Mobile Prevention Center Approximately 2,400 women recei ved mammograms and/or Pap smears aboard the Mobile Prevention Center Of them, approximate ly 22 percent had not been screened in the past five years 15 individuals were diagnosed and treated for pre-invasive and invasive breast cancer Approximately 52% percent of thes e locations were in underserved communities and 64 percent of patients came from medically underserved areas * Screenings were performed for high blood pressure, diabetes, high ch olesterol and osteoporosis In addition, our staff provided education on smoking cessation , diet and exercise Research * Our research benefits Norton Healthcare patients and devel ops results that will become generalizable to and shared with a wide number of patient pop ulations and medical professionals These new, innovative treatments expand the medical co mmunity's knowledge and potentially improve the quality of medical care now and in the fut ure * Norton Healthcare Office of Research Administration partnered with Norton Universit y to offer research education to all researchers in Metro Louisville and beyond In 2016, programs were offered and attendees included Norton Healthcare, KentuckyOne Health, Univer sity of Louisville Hospital, Floyd Memorial Hospital, Cincinnati Children's Hospital Medic al Center, St Vincent Health, University of Kentu

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 PROMOTION OF COMMUNITY HEALTH	cky, University of Louisville and various community-based practices

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 3c Eligibility criteria for free or discounted care	NORTON HOSPITALS, INC HAS A POLICY WHERE WE DISCOUNT CHARGES FOR ALL SELF PAY PATIENTS WITH NO INSURANCE COVERAGE REGARDLESS OF INCOME QUALIFICATIONS BECAUSE OF THIS POLICY, WE RESPONDED "NO" TO LINE 3B IN THAT WE DO NOT UTILIZE FEDERAL POVERTY GUIDELINES FOR PROVIDING DISCOUNTED CARE

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 6a Community benefit report prepared by related organization	Norton Healthcare, Inc

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Bad Debt Expense excluded from financial assistance calculation	54916368

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance	THE COSTING METHODOLOGY USED TO CALCULATE THE COMMUNITY BENEFIT EXPENSES WAS TO CALCULATE THE COST BY HOSPITAL LOCATION (FIVE SEPARATE HOSPITAL LOCATIONS UNDER ONE MEDICARE PROVIDER NUMBER) THE COST WAS DETERMINED BASED ON A SPECIFIC LOCATION COST TO CHARGE RATIO THE COST TO CHARGE RATIO WAS ADJUSTED FOR BAD DEBT EXPENSE AND OTHER COSTS THE COST USED IN THE CALCULATION WAS REDUCED BY BAD DEBT EXPENSE, PROVIDER TAXES, GRADUATE MEDICAL EDUCATION EXPENSES, AND OTHER COSTS THE ADJUSTED COST TO CHARGE RATIO WAS THEN MULTIPLIED TIMES THE GROSS CHARGES FOR QUALIFIED FINANCIAL ASSISTANCE CHARGES, MEDICAID AND THE STATE DISPROPORTIONATE PROGRAM (OTHER MEANS TESTED GOVERNMENT PROGRAM) TO OBTAIN THE SPECIFIC COMMUNITY BENEFIT EXPENSE

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part II Community Building Activities	AMOUNTS PRESENTED ARE BASED ON ACTUAL AMOUNTS SPENT FOR THOSE SERVICES AND BENEFITS PROVIDED DEEMED TO IMPROVE THE HEALTH OF THE COMMUNITIES IN WHICH WE SERVE

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount	THE BAD DEBT EXPENSE IS BASED ON THE NET ESTIMATED AMOUNT EXPECTED TO BE DUE FROM THE PATIENT/PAYOR BAD DEBT EXPENSE FALLS INTO THREE CATEGORIES, TRUE SELF PAY, PATIENT RESPONSIBILITY AFTER INSURANCE, AND OTHER -TRUE SELF PAY - FOR TRUE SELF PAY PATIENTS, THE SELF PAY DISCOUNT IS APPLIED TO THE ACCOUNT ASSUMING THE PATIENT DOES NOT QUALIFY FOR FINANCIAL ASSISTANCE THE BAD DEBT EXPENSE WRITE-OFF IS THE DISCOUNTED AMOUNT LESS ANY PAYMENTS MADE BY THE PATIENT -PATIENT RESPONSIBILITY AFTER INSURANCE - THE BAD DEBT EXPENSE WRITE-OFF FOR PATIENT'S RESPONSIBILITY AFTER INSURANCE IS BASED ON THE PATIENT'S LIABILITY PER THE EXPLANATION OF BENEFITS AND CONTRACT WITH THE INSURANCE COMPANY THE BAD DEBT EXPENSE WRITE-OFF IS THE EXPECTED AMOUNT DUE LESS ANY PAYMENTS MADE BY THE PATIENT -OTHER - THE OTHER CATEGORY IS FOR INSURANCE AMOUNTS DUE FROM PAYORS MOST EXPECTED PAYMENTS NOT RECEIVED FROM AN INSURANCE COMPANY AFTER INVESTIGATION INTO PAYMENT DIFFERENCES ARE WRITTEN OFF TO CONTRACTUAL ALLOWANCE/DENIAL CATEGORY

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 3 Bad Debt Expense Methodology	THE METHOD USED TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER OUR FINANCIAL ASSISTANCE POLICY IS BASED ON OUR OUTSIDE ELIGIBILITY VENDOR'S EXPERIENCE WITH QUALIFYING ACCOUNTS AS FINANCIAL ASSISTANCE MEDASSIST/FIRSTSOURCE, OUR OUTSIDE VENDOR, SCREENS ALL SELF PAY ACCOUNTS AND BASED ON AN INITIAL SCREENING, WILL CLASSIFY THE ACCOUNT AS "PROBABLE FINANCIAL ASSISTANCE" IF THE ACCOUNTS APPEAR TO MEET NORTON HOSPITAL, INC 'S (NHI) FINANCIAL ASSISTANCE PROGRAM GUIDELINES THESE ACCOUNTS ARE THEN REQUIRED TO SUBMIT THE NECESSARY DOCUMENTATION TO ULTIMATELY BE CLASSIFIED AS A FINANCIAL ASSISTANCE ACCOUNT BASED ON ALL ACCOUNTS THAT ARE CLASSIFIED AS "PROBABLE FINANCIAL ASSISTANCE" BY MEDASSIST/FIRSTSOURCE AND THEIR EXPERIENCE WITH GETTING ACCOUNTS QUALIFIED AS FINANCIAL ASSISTANCE, IT IS ESTIMATED THAT 65% OF THOSE ACCOUNTS CLASSIFIED AS PROBABLE FINANCIAL ASSISTANCE AND WHICH DO NOT SUBMIT THE REQUIRED DOCUMENTATION WOULD QUALIFY AS A NHI FINANCIAL ASSISTANCE ACCOUNT THE ESTIMATED COST OF ACCOUNTS THAT ARE ESTIMATED TO QUALIFY FOR OUR FINANCIAL ASSISTANCE PROGRAM IS CALCULATED BASED ON GROSS CHARGES FOR ACCOUNTS FOR THE YEAR THAT ARE PROBABLE, BUT DON'T SUBMIT THE NECESSARY DOCUMENTATION MULTIPLIED TIMES OUR COST TO CHARGE RATIO TIMES THE 65% ESTIMATED CONVERSION FACTOR

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote	THE PROVISION FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITEOFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE MODIFICATIONS TO THE PROVISION FOR DOUBTFUL ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 8 Community benefit & methodology for determining medicare costs	THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COST WAS BASED ON THE MEDICARE PRINCIPLES USED IN COMPLETING THE MEDICARE COST REPORT ALL COST REPORTED CAME FROM THE MEDICARE COST REPORT NORTON HOSPITALS, INC (NHI) ACCEPTS ALL MEDICARE PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS AND OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY NHI BELIEVES THAT THE MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT BECAUSE MEDICARE DOES NOT FULLY COMPENSATE HOSPITALS FOR THE COST OF PROVIDING HOSPITAL CARE TO MEDICARE BENEFICIARIES

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 9b Collection practices for patients eligible for financial assistance	AFTER THE PATIENT'S INITIAL SCREENING FOR FINANCIAL ASSISTANCE, IF IT IS BELIEVED THAT THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, NORTON HOSPITALS, INC WILL NOT START COLLECTION EFFORTS PENDING THE PATIENT SUBMITTING THE NECESSARY INFORMATION TO DOCUMENT MEETING THE FINANCIAL ASSISTANCE QUALIFICATIONS IF THE PATIENT SUBMITS THE NECESSARY DOCUMENTATION WITHIN A REASONABLE TIME PERIOD, THEN THERE WILL NOT BE ANY COLLECTION EFFORTS MADE TO COLLECT ANY AMOUNT FROM THE PATIENT THE PATIENT WILL RECEIVE A STATEMENT/BILL REFLECTING THE AMOUNT DUE THROUGH THE FINANCIAL ASSISTANCE APPLICATION PROCESS PENDING THE PATIENT'S FINANCIAL ASSISTANCE APPLICATION, BUT THERE WILL BE NO COLLECTION EFFORTS ONLY AFTER ATTEMPTS ARE MADE TO CONTACT THE PATIENT TO GET THE NECESSARY DOCUMENTATION FOR COMPLETING THE FINANCIAL ASSISTANCE APPLICATION AND THE PATIENT NOT RESPONDING, WILL COLLECTION EFFORTS BEGIN THERE IS AN ONGOING EFFORT THROUGHOUT THE COLLECTION PROCESS TO SCREEN FOR MEDICAID ELIGIBILITY, DSH, AND THE NEED FOR PROVIDING FINANCIAL ASSISTANCE APPLICATIONS TO PATIENTS WHEN A PATIENT IS APPROVED FOR FINANCIAL ASSISTANCE, THEIR ACCOUNT BALANCE IS WRITTEN OFF

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP website	A - Norton Hospital Line 16a URL www nortonhealthcare com/FAP,

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16b FAP Application website	A - Norton Hospital Line 16b URL www nortonhealthcare com/FAP,

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c FAP plain language summary website	A - Norton Hospital Line 16c URL www nortonhealthcare com/FAP,

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2 Needs assessment	NORTON HOSPITALS, INC (NHI) REGULARLY AND CONSISTENTLY EVALUATES WORKFORCE AND COMMUNITY HEALTH CARE NEEDS THROUGH PARTNERSHIPS WITH LOCAL HEALTH DEPARTMENTS, EMERGENCY MEDICAL SERVICE, LOCAL AND STATE UNIVERSITIES, AND KENTUCKIANA WORKS, THE WORKFORCE INVESTMENT BOARD FOR THE SEVEN COUNTY REGION SURROUNDING LOUISVILLE PARTNERSHIPS WITH THESE ORGANIZATIONS, ALONG WITH NOT-FOR-PROFIT HEALTH CARE ORGANIZATIONS SUCH AS THE AMERICAN CANCER SOCIETY, AMERICAN HEART ASSOCIATION AND OTHERS, ALSO PROVIDE NHI IMPORTANT STATISTICS AND DATA TO USE IN EVALUATING COMMUNITY ACCESS TO HEALTH CARE SERVICES AND HEALTH CARE DISPARITIES ADDITIONALLY, NHI ACCESSES DATA FROM ORGANIZATIONS SUCH AS THE CENTER FOR DISEASE CONTROL AND THE UNITED STATES CENSUS BUREAU TO ASSESS AREAS OF GREATEST ANTICIPATED POPULATION GROWTH AND LOW-INCOME AREAS - BOTH OF WHICH MAY BE IN GREATEST NEED FOR PREVENTION EDUCATION, FREE SCREENINGS AND ACCESS TO HEALTH CARE NHI CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR ALL HOSPITALS THE CHNA DEFINED THE PATIENT SERVICE AREA BY PATIENT ORIGIN FOR INPATIENT STAYS DEMOGRAPHIC, SOCIOECONOMIC, POPULATION, AND OTHER HEALTH RELATED INDICATORS WERE UTILIZED TO PROVIDE INFORMATION ON THE HEALTH STATUS OF THE COMMUNITY COMMUNITY INPUT WAS PROVIDED THROUGH COMMUNITY FORUMS AND A COMMUNITY HEALTH SURVEY WAS WIDELY DISTRIBUTED BY THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS HEALTH NEEDS WERE PRIORITIZED AND ADDRESSED BASED ON HEALTH STATUS FINDINGS AND THE COMMUNITY INPUT THE CHNA IS A COMPONENT OF THE ORGANIZATION'S STRATEGIC PLANNING PROCESS AS RESOURCES ARE NECESSARY TO IMPLEMENT STRATEGIES OUTLINED FOR PRIORITIES IDENTIFIED NORTON HEALTHCARE, INC (NORTON) BOARD OF TRUSTEES AS WELL AS THE LEADERSHIP OF NORTON AND HOSPITAL CHIEF ADMINISTRATIVE OFFICERS HAVE APPROVED THE ASSESSMENT AND IMPLEMENTATION PLAN

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	Signage is posted in all Norton Healthcare, Inc (Norton) hospital facilities, including t he admission area and emergency room, providing information on the ability to apply for fi nancial assistance and to seek help in paying your bill The signage is translated in five different languages and all languages are contained on the same poster Those languages a re English, Spanish, Vietnamese, Serbo-Croatian, and Arabic At the time of registration, the Patient Access/Registration Department discusses with the patient the financial assis tance/charity options, guidelines, and provides assistance as needed in filling out a fina ncial assistance application and answering questions The patient may also be referred to the Norton Eligibility vendor for assistance at no cost to the patient/guarantor Addition al questions from the patient/guarantor can be facilitated through the Norton Single Billi ng Office (SBO) area, Customer Service, and Norton Vendors Norton has created a number of different options for the patient/guarantor to supply the information/application for fin ancial assistance to Norton Those various methods of delivery include in person, by mail , by fax, on-line application submission via the website, and by specific email address T hese various options are publicized and made known to the patient In 2016, statements mai led to the guarantors by Norton Hospitals, Inc (NHI) contained information to start the f inancial assistance application process NHI employs an outside eligibility vendor, Medass ist/Firstsource All self-pay accounts for the adult facilities are placed for eligibility screening with Medassist/Firstsource They screen for Norton Healthcare, Inc (Norton) F inancial Assistance, Medicaid , Medicaid Managed Care Organizations, Presumptive Eligibili ty, and DSH/KHCP In addition, they also provide education and referral assistance to the appropriate County/State departments for Food Stamps, Rent Assistance, Heating Assistance, etc The process of completing the application is often performed by Medassist/Firstsourc e, themselves They protect filing deadlines by submitting the appropriate forms to the St ate/County They follow up to secure proof of income documents for Norton Financial Assist ance, and follow-up with the patient's assigned State Caseworker as needed Medassist/Firs tsource also makes outside field calls or home visits to the patients to secure the needed information for eligibility assistance if they are homebound as well as providing assista nce with patient transportation needs so that the patient can make their scheduled appoint ments with their caseworker All of the services provided by Medassist/Firstsource Eligibi lity are at no cost to the patient NHI pays for these eligibility and enrollment services estimated to be in excess of $3,500,000 per year NHI has a staff of 11 full-time employe es, including a supervisor, that are dedicated to performing the following functions proc essing, reviewing, and approving the hundreds of financial assistance applications that ar e received each week Additionally, some of those employees make out-bound calls to solici t financial assistance applications from our hospital patients, as well as requesting addi tional information needed to process the patient's application Financial Assistance for N orton Financial Assistance is not limited to the self-pay population Even patients with i nsurance coverage are encouraged to apply for assistance so that their deductibles, co-pay ments, and co-insurance amounts are covered under the various assistance programs Financi al Counselors/Social Workers at the adult facilities as well as Norton Children's Hospital are educated and trained to assist with counseling patients to determine and explain our financial assistance programs They continue to receive on-going education throughout the year regarding eligibility changes and additions for Norton Financial Assistance, DSH/KHCP , Medicaid, Medicaid Managed Care Organizations, Presumptive Eligibility, etc As the Foun dation Office receives inquiries in their offices, they refer these individuals to Patient Financial Services to screen for possible financial assistance If a child's account does not qualify for Norton Financial Assistance, then those denied children's applications ar e referred to management of Patient Financial Services for consideration for special fundi ng through The Children's Hospital Foundation, Inc as well as other programs The charity application was provided on the back of the SBO statement in 2016 NHI made a conscientio us effort to ensure that all patients were made aware of financial assistance regardless o f where the patient's account may have been in the collection cycle Even if the patient/g uarantor had not previously availed themselves of the opportunity to apply for financial a ssistance and decided that they will now cooperate (even if a year or more into the collec tion stream), then NHI would allow the patient/gua

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	rantor to apply and would approve if they met the qualifications Financial Assistance not ifications and applications were made available to the patient/guarantor via telephone, we bsite notification, mail, electronically, etc Collection agencies chosen by NHI print on the back of their initial placement letter or an insert is mailed with the initial placeme nt letter, a copy of the financial assistance application for the guarantor to complete T he initial notification letter sent by the collection agencies (that is required by the fa ir debt collection practices act) to the guarantor is also written in Spanish that alerts guarantors to contact a specific number to speak with a Spanish-speaking representative th at will also provide financial assistance or, the customer service phone number contained on the initial notification may not be written in Spanish but the phone number allows for the patient to request to speak with a Spanish-speaking representative who could supply f inancial assistance information NHI has translated a financial assistance letter in Spani sh and Vietnamese The letter and the application are made available to the collection age ncies NHI Customer Service Department routinely instructs and screens patients in the pro tocol regarding financial assistance through Norton Financial Assistance Since 2007, NHI has offered at the time of final billing all true hospital self-pay patients a significant discount off of total charges that were reflected on their monthly statements Contracted collection agencies are required to solicit charity applications when the guarantor/patie nt indicates "cannot pay" THE STATEMENTS PROVIDED BY NHI IN 2016 included THE LINK TO TH E NORTON HEALTHCARE, INC (NORTON) WEBSITE TO LEARN MORE ABOUT FINANCIAL ASSISTANCE, CONTA INED THE FINANCIAL ASSISTANCE APPLICATION ON THE BACK OF THE STATEMENT SO THE GUARANTOR CO ULD APPLY USING THE ACTUAL NORTON STATEMENT AND COULD THEN MAIL, FAX, OR EMAIL THE FORM TO NORTON, AND A PHONE NUMBER TO CALL TO LEARN MORE ABOUT THE APPLICATION PROCESS AND DISCUS S FINANCIAL ASSISTANCE OPTIONS

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4 Community information	PRIMARY SERVICE AREA NORTON HOSPITALS INC 'S (NHI) PRIMARY SERVICE AREA POPULATION IS OVER 1 5 MILLION AND EXPECTED TO INCREASE 3% BETWEEN 2016 AND 2021 IN 2016, THE PRIMARY SERVICE AREA INCREASED FROM A 7 COUNTY AREA TO AN AREA INCLUSIVE OF 16 COUNTIES, 5 OF WHICH ARE LOCATED ALONG THE OHIO RIVER BORDER IN KENTUCKY, 4 BORDER THE RIVER IN INDIANA, AND INCLUDES 5 ADDITIONAL KENTUCKY COUNTIES AND 2 ADDITIONAL INDIANA COUNTIES THAT DO NOT BORDER THE OHIO RIVER 89% OF NHI'S PATIENTS ARE DERIVED FROM THIS SERVICE AREA APPROXIMATELY 29% OF THE POPULATION IS OVER 55 YEARS OLD, COMPARED TO 28% IN THE USA THIS PORTION OF THE POPULATION TENDS TO USE ADDITIONAL HEALTHCARE SERVICES THE PEDIATRIC POPULATION IN 2016 WAS ESTIMATED AT 342,073 AND IS EXPECTED TO DECREASE TO 341,623 WITHIN 5 YEARS AND REPRESENTS 23% OF THE POPULATION THE NUMBER OF HOUSEHOLDS IN THE PRIMARY SERVICE AREA WAS ESTIMATED AT 600,574 IN 2016 AND IS EXPECTED TO INCREASE 2 8% BY 2021 CURRENTLY 12% OF THE ADULT POPULATION DOES NOT HAVE A HIGH SCHOOL DEGREE AND 22 7% OF THE HOUSEHOLD INCOME IS LESS THAN $25,000 A YEAR, THE AVERAGE HOUSEHOLD INCOME IS $72,459 COMPARED TO $80,853 FOR THE UNITED STATES NHI TREATS 38% OF THE ADULT INPATIENT CASES IN THE COMMUNITY AND ITS PAYOR MIX IS 50% MEDICARE, 25% MEDICAID/PASSPORT AND 2% SELF PAY THE LARGEST COUNTY IN THE SERVICE AREA IS JEFFERSON COUNTY AND ITS MAY 2017 PRELIMINARY NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATE WAS 4 3% COMPARED TO 4 7% FOR KENTUCKY AND 4 1% FOR THE UNITED STATES SECONDARY SERVICE AREA NHI'S SECONDARY SERVICE AREA DECREASED FROM 26 COUNTIES TO 17 COUNTIES IN 2016 AS MANY COUNTIES ARE NOW INCLUDED IN THE PRIMARY SERVICE AREA NHI'S SECONDARY SERVICE AREA POPULATION WAS 418,519 IN 2016 AND IS EXPECTED TO INCREASE 2 7% BETWEEN 2016 AND 2021 THE SECONDARY SERVICE AREA SPREADS ACROSS 15 KENTUCKY COUNTIES AND 2 INDIANA COUNTIES THE 55+ AGE COHORT REPRESENTS 29 5% OF THE SECONDARY SERVICE AREA POPULATION AND IS SLIGHTLY HIGHER THAN IN THE UNITED STATES THE PEDIATRIC POPULATION IN 2016 WAS ESTIMATED AT 94,046 AND EXPECTED TO INCREASE TO 94,121 BY 2021 ALTHOUGH THE PEDIATRIC POPULATION IS EXPECTED TO REMAIN RELATIVELY FLAT (LESS THAN 1% GROWTH), THERE IS A NEED FOR CHILDREN TO HAVE APPROPRIATE ACCESS TO CARE IN THE RURAL AREAS OF KENTUCKY THE NUMBER OF HOUSEHOLDS IN THE SECONDARY SERVICE AREA WAS ESTIMATED AT 164,835 IN 2016 AND IS EXPECTED TO INCREASE 2 8% BY 2021 OVER 50,000 ADULTS IN THIS SERVICE AREA DO NOT HAVE A HIGH SCHOOL EDUCATION AND THE HOUSEHOLD INCOME IS UNDER $25,000 FOR 29 5% OF THE POPULATION THE AVERAGE HOUSEHOLD INCOME IS $56,778, LESS THAN KENTUCKY AND 22% LESS THAN THE PRIMARY SERVICE AREA

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of community health	NORTON HEALTHCARE, INC (NORTON), PARENT OF NORTON HOSPITALS, INC (NHI), IS INDEPENDENTLY OVERSEEN BY A 23 MEMBER BOARD OF TRUSTEES WITH THE EXCEPTION OF NORTON'S CHIEF EXECUTIVE OFFICER, NONE OF THESE INDIVIDUALS ARE EMPLOYEES OF THE ORGANIZATION ALL MEMBERS OF THE BOARD RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA IN AN EFFORT TO ENSURE THE BEST C ARE FOR PATIENTS, NHI GENERALLY EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIA NS IN ITS COMMUNITY FOR SOME OR ALL OF ITS SERVICE LINES/DEPARTMENTS IN FACT, MORE THAN 2 ,000 PHYSICIANS ARE ON NHI'S MEDICAL STAFF A THIRD OF THE ORGANIZATION'S MISSION STATEMEN T SPEAKS TO THE COMMITMENT TO PROVIDE QUALITY HEALTHCARE THAT "RESPONDS TO THE NEEDS OF OU R COMMUNITIES " NHI ORGANIZATIONAL VALUES DIRECTLY ADDRESS THE NEED TO "CONTINUALLY IMPROV E CARE AND SERVICES" WHILE "DEMONSTRATING STEWARDSHIP OF RESOURCES " AS AN ORGANIZATION CO MMITTED TO THE CONSTANT UNDERSTANDING AND ASSESSMENT OF THOSE SERVED, INITIATIVES AND PROG RAMS THAT ADDRESS THESE CONSTITUENTS ARE DEVELOPED AND IMPLEMENTED IN 2016 NHI'S TOTAL CO MMUNITY BENEFIT WAS $156 MILLION, ALMOST $13 MILLION A WEEK, AND INCLUDES COMMUNITY INITIA TIVES AND PROGRAMS SUCH AS FINANCIAL ASSISTANCE, CHARITY CARE, EDUCATIONAL SUPPORT, UNPAID COSTS OF MEDICAID SERVICES, CORPORATE SPONSORSHIPS, HEALTH PROGRAMS FOR FAITH COMMUNITIES , KENTUCKY POISON CONTROL CENTER AND CHILD GUIDANCE AND ADVOCACY PROGRAMS NHI EMPLOYEES V OLUNTEERED FOR OVER 200 ORGANIZATIONS NHI PARTNERS WITH OTHER NONPROFIT ORGANIZATIONS, LO CAL GOVERNMENT AND THE CENTERS FOR DISEASE CONTROL TO IMPROVE THE HEALTH STATUS OF OUR COM MUNITY THROUGH EVIDENCE-BASED INITIATIVES THE ORGANIZATION'S PUBLICLY ACCESSIBLE WEBSITE OFFERS AN ONLINE ASSESSMENT GUIDE TO IDENTIFY AND UNDERSTAND SYMPTOMS OF ILLNESS AND DISEA SE GET HEALTHY VIDEOS OFFER A VISUAL RESOURCE AND AID ABOUT MANY OF THE MOST WORRISOME HE ALTH PROBLEMS IN THE COMMUNITY THROUGHOUT THE YEAR FREE SEMINARS PLACE CLINICAL EXPERTS W ITH COMMUNITY AUDIENCES ON SUCH TOPICS AS DIABETES, JOINT PAIN, WEIGHT MANAGEMENT, CANCER ASSESSMENTS - ALL CONDITIONS THAT KENTUCKY, UNFORTUNATELY, LEADS THE NATION IN HAVING THE PUBLICLY AVAILABLE QUALITY REPORT ENSURES THAT THE COMMUNITY HAS ACCESS TO INFORMATION AB OUT THE QUALITY OF CARE PROVIDED BY THE ORGANIZATION THIS DATA NOT ONLY EMPOWERS COMMUNIT Y MEMBERS, BUT ALSO DRIVES THE HEALTHCARE QUALITY AGENDA IN THE COMMUNITY Contributions t o the Community Norton Healthcare employees and physicians gave more than $988,000 to the 2016 Combined Giving Campaign to help support community organizations also committed to im proving the health and well-being of community residents Supported organizations include, the WHAS Crusade for Children, Metro United Way, Fund for the Arts, The Children's Hospit al Foundation and Norton Healthcare Foundation More than 100 Norton Healthcare employees "Raised the Roof" on a Habitat for Humanity house on Brentwood Avenue in Louisville, Ky T his is the ninth Habitat home Norton Healthcare employees have built In 2016, more than 1 ,000 Norton Healthcare employees donated time and funds to plan, purchase and deliver gift s, food and clothing for the Caring Tree program The program assisted 357 employees and t heir 813 children by providing for their families at Christmas More than 41,700 pounds of usable surplus medical supplies valued at more than $668,000 and $92,000 in equipment wer e donated for use locally and around the world NORTON EMPLOYEES DONATED 86,552 HOURS OF C OMMUNITY SERVICE, A BENEFIT VALUED AT MORE THAN $1 4 MILLION IN ADDITION, MANY EMPLOYEES SELF-REPORTED PERSONAL VOLUNTEER ACTIVITIES WHICH TOTALED OVER 6,000 HOURS OF SERVICE Com munity Education and Workforce Development As one of Kentucky's largest healthcare systems , Norton Healthcare, Inc has established a culture of continual, lifelong learning throug h the departments of Workforce Development, Norton Institute for Nursing and Norton Univer sity Workforce Development, encourages continuing education, improves job performance and provides financial assistance for designated educational programs related to the business operations of the organization Norton Healthcare encourages and supports employees and d ependents career goals by providing financial assistance and scholarships as well as other advancement opportunities In 2016, Workforce Development financially supported more than 800 students with nearly $6 million in educational assistance programs Workforce Develop ment Career Center served over 1,350 students Each program participant worked directly wi th a Certified Career Management Coach, offering services in resume writing, career and ed ucational exploration, financial assistance opportunities for educational pursuit, intervi ewing skills and mentoring Norton Scholars Accelerated Program, a student loan program, f or employees and non-employees, provides educational funding to students interested in pur suing designated healthcare careers It is an affi

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of community health	liation between Norton Healthcare and over 100 colleges and universities nationally This program has 2,572 graduates and 2,061 of these graduates have continued their careers with Norton Healthcare Norton Healthcare, through Workforce Development, continues to partner with the city of Louisville through a summer job and internship program known as the Mayo r Summers Work Program, to give young adults an opportunity to be employed in our healthca re environment during the summer months The Student Nurse Apprenticeship program (SNAP) i s a 12-to-18-month apprenticeship in which nursing students will work and engage in hands- on learning with an experienced mentor, in addition to becoming acclimated to Norton Healt hcare Top area student nurses with good grades, good references and a desire to be the be st will gain the skills and the confidence to deliver quality patient care Norton Univers ity provides learning opportunities to enhance the professional, educational, and personal development of all employees Norton University's Value Proposition states "Norton Univer sity nurtures learning and relations to inspire change that leads to exceptional experienc es for both patients and employees " In 2016, Norton University held 300,275 learning even ts, an average of 20 trainings per employee In 2016, 139,372 web-based training courses a nd 62,769 instructor-led courses were completed by leaders and staff of all disciplines E levating the First Line Employee, School at Work and College at Work programs expose entry -level staff to healthcare careers and help them obtain a higher level position, GED or co llege degree Leadership development programs that support the development of leaders (Nur sing, Physician Practices, Physician and System) across the continuum Organizational deve lopment activities that assist in creating a more effective and efficient workplace with h ighly engaged employees Norton Faith and Health Ministries Norton Faith and Health Minist ries (FHM) works with churches and faith communities to weave health and faith together, p romoting the intentional integration of faith, healing and wellness through the developmen t of health ministries FHM provides mentoring, educational resources and networking oppor tunities to assist health ministry coordinators and faith community nurses minister to the ir churches In 2016, the office mentored and served nearly 200 multi-denominational faith communities with active health ministry programs, and assisted many others with health an d wellness efforts FHM nurtured relationships with faith communities through participatio n in events by the Mid-Kentucky Presbytery, Lutheran Church, Central District Baptist Asso ciation, African American Episcopal Church Conference and the Episcopal Diocese of Kentuck y Annual Convention, and consulted with United Methodist clergy regarding the development of a mobile medical unit In order to advance congregational health ministries, faith comm unity nursing and other health-related programs, FHM reached more than 40,850 contacts by distributing 22 electronic informational newsletters At 74 faith community events, 5,780 people were provided health literacy education using educational tools loaned from FHM At 176 events, 1,375 people were screened for asthma, blood glucose, blood pressure, body ma ss index and/or cholesterol, and often received counseling and referrals by faith communit y nurses Twelve formal educational and networking events were held reaching 331 individua ls

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 6 Affiliated health care system	NORTON HEALTHCARE, INC (THE CONTROLLING COMPANY) AND ITS AFFILIATES, INCLUDING NORTON HOSPITALS, INC , NORTON ENTERPRISES, INC , NORTON PROPERTIES, INC , THE CHILDREN'S HOSPITAL FOUNDATION, INC , NORTON HEALTHCARE FOUNDATION, INC , AND COMMUNITY MEDICAL ASSOCIATES, INC OPERATE IN THE LOUISVILLE, KENTUCKY METROPOLITAN AREA AND THE OPERATIONS OF THE AFFILIATED HEALTHCARE SYSTEM INCLUDE 1,837 LICENSED BEDS, MORE THAN 195 PHYSICIAN PRACTICE AND 13 NORTON IMMEDIATE CARE CENTER LOCATIONS, AND OTHER ANCILLARY HEALTH CARE SERVICES

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 61-0703799
Name: Norton Hospitals Inc

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

Section A. Hospital Facilities (list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? **5** Name, address, primary website address, and state license number		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	**Other (Describe)**	**Facility reporting group**
1	Norton Hospital 200 E Chestnut St Louisville, KY 40202 http //www nortonhealthcare com/nortonhospital 100234	X	X		X			X			A
2	Norton Children's Hospital 231 E Chestnut St Louisville, KY 40202 http //www nortonchildrens com/ 100234	X	X	X	X			X			A
3	Norton Women's and Children's Hospital 4001 Dutchmans Lane Louisville, KY 40207 http //www nortonhealthcare com/pages/nwch aspx 100255	X	X		X			X			A
4	Norton Audubon Hospital One Audubon Plaza Drive Louisville, KY 40217 http //www nortonhealthcare com/NortonAudubonHospital 100252	X	X		X			X			A
5	Norton Brownsboro Hospital 4950 Norton Healthcare Blvd Louisville, KY 40241 http //www nortonhealthcare com/nortonbrownsborohospital 100475	X	X					X			A

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6a Facility A, 1	Facility A, 1 - ALL HOSPITALS NORTON HOSPITALS, INC OWNS AND OPERATES FIVE HOSPITALS LOCATED IN LOUISVILLE, JEFFERSON COUNTY, KENTUCKY THE HOSPITALS ARE - NORTON HOSPITAL - NORTON CHILDREN'S HOSPITAL - NORTON WOMEN'S AND CHILDREN'S HOSPITAL - NORTON AUDUBON HOSPITAL - NORTON BROWNSBORO HOSPITAL

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6b Facility A, 1	Facility A, 1 - OTHER ORGANIZATIONS THE LOUISVILLE AREA HOSPITALS COLLABORATED WITH LOUISVILLE METRO GOVERNMENT TO CONDUCT THE COMMUNITY WIDE HEALTH SURVEY AND FOCUS GROUPS

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, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	Facility A, 1 - All Hospitals CHANGING MARKET DEMOGRAPHICS - NORTON HOSPITALS, INC (NHI) HAS A SMALL BUT GROWING IMMIGRANT POPULATION IN THE IN RESPONSE TO THIS, NHI HAS ENHANCED RECRUITING EFFORTS WITH A FOCUS ON INCLUSIVENESS AND ENSURING THAT THE WORKFORCE IS CONSI STENT WITH THE PATIENTS WE SERVE IN THE COMMUNITY AND REGION NHI HAS INCORPORATED DIVERSI TY AND INCLUSION TRAINING INTO THE ORIENTATION PROCESS FOR NEW HIRES, AS WELL AS UTILIZING PATIENT FAMILY ADVISORY COUNCILS TO IDENTIFY PROCESS AND SERVICE IMPROVEMENTS NHI HAS IN ITIATED EMPLOYEE RESOURCE GROUPS WITHIN THE ORGANIZATION TO ENHANCE ASSIMILATION WITH NHI AND THE COMMUNITY POVERTY LEVELS - NHI FACILITIES ACCEPT ALL PATIENTS, IRRESPECTIVE OF TH EIR ABILITY TO PAY NHI HAS A CAPITATION CONTRACT WITH PASSPORT FOR OUR COMMUNITY TO CARE FOR QUALIFIED MEDICAID PATIENTS NHI ALSO HAS A RIGOROUS CHARITY POLICY WITH REPRESENTATIV ES WHO ASSIST THOSE PATIENTS AND FAMILIES AS NEEDED TO ENSURE ALL POTENTIAL RESOURCES ARE AVAILABLE TO THEM WHEN CARE IS PROVIDED LANGUAGE - NHI HAS MANY EMPLOYEES THAT SPEAK SPAN ISH AND OTHER FOREIGN LANGUAGES WE CONTRACT WITH A SERVICE TO PROVIDE TRANSLATIONAL SERVI CES TO FACILITATE CARE DELIVERY EDUCATION - NHI PROVIDES EXTENSIVE EDUCATIONAL OFFERINGS AND LEADERSHIP DEVELOPMENT PROGRAMS, AS WELL AS EDUCATIONAL ASSISTANCE, FOR ALL EMPLOYEES AT NO ADDITIONAL COST TO THE EMPLOYEE THESE PROGRAMS ARE PROVIDED THROUGH THE NORTON UNIV ERSITY AND NORTON INSTITUTE FOR NURSING PROGRAMS ARE EVALUATED ANNUALLY TO DETERMINE GAPS AND FUTURE PROGRAM OPPORTUNITIES IN COLLABORATION WITH NORTON UNIVERSITY LEADERSHIP TEEN BIRTHS - THE BIRTH RATE FOR TEENAGERS IN THE LOUISVILLE METRO AREA IS ABOVE THE NATIONAL AVERAGE OF 42 5 AS A LEADING PROVIDER FOR BIRTHING SERVICES IN THE COMMUNITY AND THE PREM IER PROVIDER OF PEDIATRIC SERVICES, CONTINUING TO PROMOTE HEALTH AWARENESS AS IT RELATES T O PREGNANCY PREVENTION ALTERNATIVES IS AN AREA OF RESPONSIBILITY FOR OUR ORGANIZATION NHI HAS EXPANDED MATERNAL FETAL MEDICINE LOCATIONS, NOW UTILIZING TELEMEDICINE TOOLS TO BROAD EN ACCESS NHI ALSO CONTINUES TO EXPAND CLINICAL AFFILIATIONS WITH RURAL PROVIDERS NHI CO NTINUES TO SUPPORT EDUCATION AND AWARENESS OF PREGNANCY PREVENTION ALTERNATIVES FOR THE CO MMUNITY, INCLUDING EDUCATIONAL OFFERINGS THROUGH THE MARSHALL WOMEN'S CENTER LOCATED ON OU R ST MATTHEWS CAMPUS PRENATAL CARE, LOW BIRTH WEIGHT AND INFANT MORTALITY - IN KENTUCKY, LOW BIRTH WEIGHT BABIES EXCEED THE NATIONAL AVERAGE BY ONE PERCENTAGE POINT AND INFANT MO RTALITY RATES ARE SLIGHTLY HIGHER THAN THE NATIONAL AVERAGE NHI IS COMMITTED TO ESTABLISH ING A MATERNAL FETAL MEDICINE CENTER OF EXCELLENCE FOR THE STATE AND REGION TO ENSURE THE FEMALE POPULATION HAS ACCESS TO CLINICAL RESOURCES FOR THE BEST POSSIBLE CARE AND OUTCOME FOR THEIR BABY PART OF THIS INITIATIVE INVOLVES EDUCATION ON PRENATAL CARE AND THE VALUE OF THESE EFFORTS TO REDUCE LOW BIRTH WEIGHT BABIES AND OTHER COMPLICATIONS PRENATAL CLASS OFFERINGS ARE AVAILABLE AT MU

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, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	LTIPLE LOCATIONS IN THE COMMUNITY ADDITIONALLY, NHI PROVIDES CLINICAL RESOURCES TO THE SH AWNEE CHRISTIAN COMMUNITY AND PARK DUVALLE COMMUNITIES TO FURTHER PROMOTE HEALTH AND WELLN ESS DIABETES - THE DIABETES PATIENT POPULATION CONTINUES TO GROW IN KENTUCKY AND MORTALIT Y RATES FOR THE STATE AND LOUISVILLE METRO CONTINUE TO EXCEED NATIONAL AVERAGES NHI HAS A FOCUSED PROGRAM AT OUR CHILDREN'S HOSPITAL TO PROMOTE EDUCATION AND AWARENESS WHILE UTILI ZING PROTOCOLS FOR EARLY DETECTION OF PATIENTS WITH DIABETES ADDITIONALLY NHI'S CLINICAL EFFECTIVENESS TEAM UTILIZES BEST PRACTICE CLINICAL PROTOCOLS TO IDENTIFY DIABETES PATIENTS AND RECOMMEND THEM TO A SPECIALIST FOR ONGOING CARE MANAGEMENT TO IMPROVE PATIENT HEALTH OBESITY, NUTRITION & EXERCISE - OBESITY HAS BECOME A SIGNIFICANT HEALTH ISSUE FOR THE LOU ISVILLE AREA AS WELL AS THE STATE The number of served OBESE PATIENTS HAs INCREASED BY MO RE THAN 350,000 OVER THE LAST 10 YEARS FURTHER, ALMOST TWO THIRDS OF THE POPULATION IN TH E AREA REPORT THEY ARE OVERWEIGHT, AND HALF OF THOSE REPORT THAT THEY ARE OBESE NHI FEELS A RESPONSIBILITY TO THE CHILDREN OF OUR COMMUNITY TO PROMOTE HEALTHY FOOD CHOICES AND REC REATIONAL ACTIVITIES AS THE STATE'S EXPERT IN PEDIATRIC SERVICES AS PART OF OUR ONGOING P EDIATRIC SERVICES, WE CURRENTLY PROVIDE NUTRITIONAL GUIDANCE FOR OUR PATIENTS AND FAMILIES NHI HAS A BARIATRIC CENTER THAT PROVIDES EXERCISE AND NUTRITION PROGRAMS BARIATRIC SURG ICAL CANDIDATES PARTICIPATE IN AN EDUCATION PROGRAM PRIOR TO THE PROCEDURE TO ENSURE SUCCE SS IN MAINTAINING A HEALTHY WEIGHT FOLLOWING THE PROCEDURE NHI HAS ESTABLISHED A FOCUSED PREVENTION AND WELLNESS SERVICE LINE TO ENCOURAGE HEALTHY BEHAVIOR AND TAKE ADVANTAGE OF S CREENINGS AND OTHER PREVENTION ACTIVITIES TO FACILITATE EARLY DETECTION OF CHRONIC CONDITI ONS AND RELATED RISK FACTORS NHI WILL CONTINUE TO EXPAND OUR GEOGRAPHIC REACH FOR THESE P ROGRAMS AS FEASIBLE CANCER INCIDENCE & MORTALITY - THE INCIDENCE AND MORTALITY RATES FOR ALL CANCERS ARE WELL ABOVE THE NATIONAL AVERAGE NHI HAS A STRONG DEPTH AND BREADTH OF SUB SPECIALISTS IN THE AREA OF ONCOLOGIC CARE WITH NORTON CANCER INSTITUTE (NCI) WE OPERATE K ENTUCKY'S ONLY ACCREDITED NETWORK CANCER CENTER AND UTILIZE EVIDENCE BASED CLINICAL PROTOC OLS AND PATHWAYS TO ENHANCE THE QUALITY OF LIFE AND SURVIVORSHIP OF OUR CANCER PATIENTS A S DEMONSTRATED BY OUR PUBLICLY AVAILABLE QUALITY REPORT, NHI'S SURVIVAL RATES ARE NEAR OR EXCEEDING NATIONAL RATES IN ALMOST EVERY CANCER CONDITION AND STAGE LEVEL NHI HAS EXPANDE D CLINIC SITES TO ADDITIONAL SERVICE AREAS OUTSIDE OUR PRIMARY SERVICE AREA TO BRING NEEDE D SCREENING AND INTERVENTION SERVICES TO THEIR COMMUNITIES IN ADDITION, NHI IS WORKING TO ASSESS COMMUNITY HEMOGLOBINOPATHY NEEDS TO PROMOTE EARLY DETECTION OF SICKLE CELL PATIENT S LUNG CANCER - THE INCIDENCE RATES FOR LUNG CANCER ARE AMONG THE HIGHEST IN THE NATION F OR KENTUCKY THE SURVIVAL RATE UNFORTUNATELY LAGS NATIONAL AVERAGES SIGNIFICANTLY NHI HAS IMPLEMENTED A LUNG CT SCREENI

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, 16j, 18e, 19e, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	NG PROGRAM TO FACILITATE EARLY DETECTION NHI ALSO OFFERS TOBACCO AND SMOKING CESSATION CL ASSES IN ADDITION, A MULTI-DISCIPLINARY PROGRAM WAS ESTABLISHED IN PARTNERSHIP WITH PULMO NARY LEADERSHIP TO ADDRESS COMPREHENSIVE PATIENT NEEDS CHILDREN'S INJURY PREVENTION - NHI PROVIDES INJURY PREVENTION SERVICES INCLUDING CAR SEAT CHECKS, HELMET DISTRIBUTION, SAFE SLEEP EDUCATION AND SAFE KIDS COALITIONS TO HELP REDUCE INJURIES PRESENTING TO THE EMERGE NCY ROOM, NHI WORKS WITH EXTERNAL PARTNERS, INCLUDING JEFFERSON COUNTY PUBLIC SCHOOLS, TO PROVIDE EDUCATION AND ACCESS TO INJURY PREVENTION SERVICES BREAST CANCER - NHI HAS MULTIP LE ACCESS POINTS FOR MAMMOGRAPHY SCREENINGS AND OTHER PREVENTION AND WELLNESS ACTIVITIES NHI HAS IMPLEMENTED A BREAST HEALTH PROGRAM TO IMPROVE SERVICE OPTIONS FOR PATIENTS, TO ST REAMLINE SCREENING ACTIVITIES AND PROVIDE A SINGLE ACCESS POINT TO EVALUATE CARE AND TREAT MENT OPTIONS PROSTATE CANCER - NCI PROVIDES PROSTATE SCREENINGS THROUGH VARIOUS VENUES, I NCLUDING OUR MOBILE HEALTH UNIT IN UNDERSERVED AREAS, AS WELL AS OTHER ROUTINE HEALTH FAIR S WHERE SCREENINGS ARE OFFERED NHI PROVIDES COMPREHENSIVE SERVICES, BEING THE FIRST IN TH E COMMUNITY TO PROVIDE RADICAL PROSTATECTOMIES WITH THE DAVINCI ROBOT, PRESERVING TISSUE A ND IMPROVING RECOVERY TIME HEART DISEASE MORTALITY - NHI'S CARDIOVASCULAR PROGRAM HAS SPE CIFIC INITIATIVES TO EXPAND ADVANCED IMAGING TO IMPROVE DIAGNOSIS RATES FURTHER, OUR CLIN ICAL PROGRAMS ARE FOCUSED AROUND QUALITY INITIATIVES AND CONTINUOUS ENHANCEMENT OF BEST PR ACTICES AND PROTOCOLS NHI CONTINUES TO STRIVE FOR CLINICAL PROGRAM EXCELLENCE THROUGH ATT AINMENT OF ADVANCED ACCREDITATION LEVELS WITH NATIONAL AUTHORITIES AND WILL CONTINUE ENHAN CEMENT OF OUR WORKFORCE AND PROGRAMS TO MEET COMMUNITY NEEDS NHI HAS IMPLEMENTED A HEART FAILURE CLINIC UTILIZING ARNP'S FOR MANAGEMENT OF HIGH RISK PATIENTS CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD) - AS A LEADING STATE FOR THE PROVISION OF TOBACCO AND WITH MULTIP LE INDUSTRIAL PROVIDERS IN THE COMMUNITY, KENTUCKY'S INCIDENT RATES FOR COPD ARE EXCESSIVE NHI HAS ESTABLISHED A NO SMOKING POLICY ON ALL CAMPUSES TO ELIMINATE EXPOSURE TO TOBACCO SMOKE FOR OUR PATIENTS AND FAMILIES NHI HAS MULTIPLE PULMONOLOGISTS ON STAFF AND OFFERS A BROAD RANGE OF ACUTE CARE SERVICES AS WELL AS RESPIRATORY THERAPY AT ALL HOSPITALS AND A MBULATORY FACILITIES NHI'S PREVENTION AND WELLNESS TEAM CONTINUES TO EXPAND SCREENING EFF ORTS TO IDENTIFY THESE CHRONIC PATIENTS IN ADDITION, OUR CARE MANAGEMENT TEAM HAS ESTABLI SHED AND WILL CONTINUE TO IMPROVE UPON BEST PRACTICE PROTOCOLS FOR EFFECTIVE MANAGEMENT OF COPD PATIENTS SYSTEM WIDE ICU/TCU ADMISSION CRITERIA ARE UTILIZED AND A COMPREHENSIVE CA RE MODEL ENCOMPASSING HOSPITALISTS, PULMONARY SPECIALISTS AND CRITICAL CARE NP'S IS IN DEV ELOPMENT TO IMPROVE CARE AND OUTCOMES FOR PATIENTS

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 15 Facility A, 1	Facility A, 1 - ALL HOSPITALS SEE RESPONSE TO PART VI, LINE 3, PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16 Facility A, 1	Facility A, 1 - ALL HOSPITALS SEE RESPONSE TO PART VI, LINE 3, PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

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Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," on line 5a or 5b, describe in Part III			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," on line 6a or 6b, describe in Part III			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported on Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
See Additional Data	

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 61-0703799
Name: Norton Hospitals Inc

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 1a Discretionary spending account	DISCRETIONARY SPENDING ACCOUNTS ARE TREATED AS TAXABLE COMPENSATION THE ORGANIZATION PROVIDES A DISCRETIONARY SPENDING ACCOUNT FOR ELIGIBLE NORTON HEALTHCARE, INC (NORTON) EXECUTIVES, EFFECTIVE OCTOBER 1, 2007 NORTON PROVIDES BENEFITS TO ITS IDENTIFIED EXECUTIVE STAFF TO PROVIDE A TOTAL COMPENSATION PACKAGE THAT IS COMPETITIVE WITH THE MARKET AND WHICH CONFORMS TO THE PHILOSOPHY AND GUIDELINES SET OUT BY THE BOARD OF TRUSTEES, THROUGH THE EXECUTIVE COMPENSATION PHILOSOPHY AND PROGRAMS THROUGH THE DISCRETIONARY SPENDING ACCOUNT POLICY, EXECUTIVES ARE FREE TO CHOOSE WHATEVER BENEFITS THEY FIND MOST USEFUL OR IMPORTANT TO THEM AND NORTON DOES NOT REIMBURSE FOR THE COST OF THOSE BENEFITS, AS THEY ARE PART OF THE DISCRETIONARY SPENDING ACCOUNT THE INTERESTED PERSONS LISTED BELOW RECEIVED THE BENEFIT OF A DISCRETIONARY SPENDING ACCOUNT IN 2016 Matthew Ayers - 10,000 Kevin Wardell - 673 John Harryman - 17,500 Thomas Kmetz - 17,500 Steven MacLauchlan - 673 Charlotte Ispan - 10,000 Joseph Flynn - 10,000

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 3 Arrangement used to establish the top management official's compensation	NORTON HEALTHCARE INC (NORTON) EIN 61-1028725 IS THE PARENT ORGANIZATION FOR NORTON HOSPITALS, INC AND THEREFORE ESTABLISHES COMPENSATION FOR THE CEO, OFFICERS AND KEY EMPLOYEES THROUGH ENGAGING WITH THE EXECUTIVE COMMITTEE OF NORTON, AN INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT AGREEMENTS, THIRD PARTY COMPENSATION SURVEYS AND APPROVAL BY THE EXECUTIVE COMMITTEE AND BOARD SEE NARRATIVE IN SCHEDULE O, REFERENCING PART VI, LINE 15 WHICH FURTHER DESCRIBES THE PROCESS FOR DETERMINING COMPENSATION FOR THE ORGANIZATION

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 4a Severance or change-of-control payment	Severance payment was received during 2016 by key employee Steven MacLauchlan in the amount of $3,996 12 other compensation included in Schedule J column B(iii) Severance payment was received during 2016 by key employee John Harryman in the amount of $334,509 68 other compensation included in Schedule J column B(iii)

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan	THE FOLLOWING INTERESTED PERSONS PARTICIPATED IN OR RECEIVED PAYMENT FROM SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS AS DESCRIBED IN IRC SECTION 457(F) THE INTERESTED PERSONS BELOW MAY HAVE PARTICIPATED IN ONE OR MORE OF THE FOLLOWING PLANS THE EXECU-FLEX BENEFIT PLAN, THE EXECU-PLUS BENEFIT PLAN, DEFINED BENEFIT AND DEFINED CONTRIBUTION RESTORATION PLANS, AND THE PHYSICIAN DEFERRED PLAN THE "PAY CREDIT" OULINED BELOW REPRESENTS A REASONABLE ESTIMATE OF THE ANNUAL INCREASE IN ACTUARIAL VALUE OF THE PLANS, AND THEREFORE, REPRESENTS THE ORGANIZATION'S CONTRIBUTION TO THE VALUE OF THE BENEFITS NAME - PAY CREDIT Stephen A Williams - $ 37,614 Russell F Cox - 184,624 Michael W Gough - 151,419 Robert Azar - 89,124 Matthew Ayers - 45,533 Charlotte Ipsan -52,233 John Harryman - 30,193 Thomas Kmetz - 104,340 Joseph Flynn - 73,479 THE "PAYMENT RECEIVED" OUTLINED BELOW REPRESENTS CASH PAYMENTS THAT THE EMPLOYEE RECEIVED DURING 2016 AND CAN BE COMPRISED OF CURRENT AND OR PRIOR YEARS EMPLOYEE AND EMPLOYER CONTRIBUTIONS NAME - PAYMENT RECEIVED Stephen A Williams -$ 269,688 Russell F Cox - 110,639 Michael W Gough - 91,441 Robert Azar - 56,519 Matthew Ayers - 33,926 Charlotte Ipsan - 40,615 John Harryman - 127,004 Thomas Kmetz - 67,040 Steve MacLauchlan - 124,378 Kevin Wardell - 298,448

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 7 Non-fixed payments	In 2016, Norton Healthcare, Inc (Norton) had in place a Variable Compensation Plan for Executives, eligibility under which extended to employees holding a full-time position as Senior Officer, Officer, System Director or other designated Director level position Under the plan, a variable compensation pool amount is approved by the Board of Trustees Each participant's performance is evaluated relative to the goals and objectives documented as part of the participant's plan, and an award is determined for the participant, based on achievement of the goals and objectives, subject to the funding of the variable compensation pool At the end of each year, the Committee on Executive Compensation and Benefits determines an appropriate award for the Norton's President & Chief Executive Officer, and the President & Chief Executive Officer recommends appropriate awards for other senior executives to the Committee on Executive Compensation and Benefits for its review and approval

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable 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
1Stephen A Williams CEO/Trustee	(I)	0	0	0	0	0	0	0
	(II)	1,100,643	648,812	391,317	58,375	- 27,325	- 2,226,472	156,533
1Russell F Cox President	(I)	0	0	0	0	0	0	0
	(II)	775,652	300,166	256,549	350,179	- 31,188	- 1,713,734	105,296
2Michael W Gough Sr VP CFO/Treasurer	(I)	0	0	0	0	0	0	0
	(II)	637,892	253,405	223,597	294,872	- 22,707	- 1,432,473	88,892
3Robert B Azar Sys VP Chief Legal Officer/Secretary	(I)	0	0	0	0	0	0	0
	(II)	417,886	167,415	95,448	109,086	- 12,564	- 802,399	55,868
4John Harryman Former Hospital CAO	(I)	280,612	92,898	175,279	58,091	22,490	629,371	429,750
	(II)	0	0	0	0	- 0	- 0	0
5Steven MacLauchlan Former Hospital President	(I)	0	0	128,375	159	0	128,534	124,378
	(II)	0	0	0	0	- 0	- 0	0
6Steven Pursell VP Medical Director NCI	(I)	153,178	6,000	63,582	3,825	8,094	234,681	0
	(II)	0	0	0	0	- 0	- 0	0
7Thomas Kmetz Division President Women and Children Services	(I)	464,367	135,834	111,731	131,778	30,713	874,422	67,444
	(II)	0	0	0	0	- 0	- 0	0
8Joseph Flynn Physician-in-Chief NCI	(I)	503,569	0	15,363	86,729	27,439	633,100	0
	(II)	0	0	0	0	- 0	- 0	0
9Kevin Wardell Hospital CAO	(I)	16,798	167,915	310,885	12,994	8,001	516,592	249,721
	(II)	0	0	0	0	- 0	- 0	0
10Charlotte Ipsan Hospital CAO	(I)	281,446	84,452	74,129	79,992	29,660	549,679	40,320
	(II)	0	0	0	0	- 0	- 0	0
11Matthew Ayers Hospital CAO	(I)	293,987	62,631	48,121	64,694	23,608	493,040	0
	(II)	0	0	0	0	- 0	- 0	0
12Brian Stoll MD Physician	(I)	638,119	124,888	16,575	13,220	32,965	825,767	0
	(II)	0	0	0	0	- 0	- 0	0
13Aaron Spalding MD Physician	(I)	619,960	124,888	31,372	18,845	36,509	831,574	0
	(II)	0	0	0	0	- 0	- 0	0
14Michael Hahl MD Physician	(I)	623,484	124,888	21,894	19,333	32,862	822,461	0
	(II)	0	0	0	0	- 0	- 0	0
15Mark Cornett MD Physician	(I)	621,794	124,888	21,661	24,002	35,312	827,657	0
	(II)	0	0	0	0	- 0	- 0	0
16Yong Cha MD Physician	(I)	618,453	124,888	19,638	13,250	38,973	815,202	0
	(II)	0	0	0	0	- 0	- 0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JASON NACAZEL	FAMILY MEMBER OF RONALD LEHOCKY, TRUSTEE	80,749	COMPENSATION		No
(2) BARBARA KMETZ	FAMILY MEMBER OF THOMAS KMETZ, KEY EMPLOYEE	82,874	COMPENSATION		No
(3) SIBYL CAGATA	FAMILY MEMBER OF STEVEN PURSELL, FORMER KEY EMPLOYEE	106,378	COMPENSATION		No
(4) SARAH A ROBINSON	FAMILY MEMBER OF DONALD H ROBINSON, TRUSTEE	19,205	COMPENSATION		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part V, Line 2a COMMON PAYING AGENT FOR EMPLOYEES	NORTON HEALTHCARE, INC (NORTON) EIN 61-102875 IS THE COMMON PAYING AGENT FOR NORTON HOSPI TALS, INC (NHI) THEREFORE, ALL APPLICABLE IRS TAX COMPLIANCE FILINGS ARE REPORTED BY NORT ON ON BEHALF OF NHI NHI HAS APPROXIMATELY 10,685 EMPLOYEES

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part V, Line 1a COMMON PAYING AGENT 1099S	NORTON HEALTHCARE, INC (NORTON) EIN 61-1028725 IS THE COMMON PAYING AGENT FOR NORTON HOSP ITALS, INC (NHI) AND THEREFORE, ALL VENDORS, INCLUDING INDEPENDENT CONTRACTORS, ARE PAID AND REPORTED BY NORTON ON BEHALF OF NHI FOR PURPOSES OF PART V, LINE 1, THE NUMBER OF 109 9S REPORTED AND FILED FOR 2016 BY NORTON FOR NHI, WAS APPROXIMATELY 302 NHI HAS APPROXIMA TELY 112 INDEPENDENT CONTRACTORS EXCEEDING $100,000 FOR 2016

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 1a Delegate broad authority to a committee	THE EXECUTIVE COMMITTEE SHALL POSSESS AND MAY EXERCISE ALL THE POWERS AND AUTHORITY OF THE BOARD OF TRUSTEES IN THE MANAGEMENT AND DIRECTION OF THE BUSINESS AND AFFAIRS OF THE CORP ORATION HOWEVER, THE EXECUTIVE COMMITTEE DOES NOT POSSESS THE AUTHORITY TO DO THE FOLLOWI NG A) FILL VACANCIES ON THE BOARD, B) CHANGE THE MEMBERSHIP OF THE EXECUTIVE COMMITTEE, C) MAKE DECISIONS TO MERGE, LIQUIDATE, OR OTHERWISE MAKE DECISIONS OUTSIDE OF THE NORMAL CO URSE OF BUSINESS, D) MAKE FINAL DETERMINATIONS OF LONG-TERM POLICY, E) HIRE OF FIRE THE CH IEF EXECUTIVE OFFICER, AND F) AMEND THE ARTICLES OF INCORPORATION OR BYLAWS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Classes of members or stockholders	NORTON HEALTHCARE, INC EIN 61-1028725 IS THE SOLE MEMBER OF NORTON HOSPITALS, INC

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7a Members or stockholders electing members of governing body	THE BOARD OF TRUSTEES OF NORTON HEALTHCARE, INC APPOINTS THE TRUSTEES OF THE ORGANIZATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders	ACCORDING TO THE ARTICLES OF INCORPORATION OF THE ORGANIZATION, NORTON HEALTHCARE, INC , (NORTON) THE SOLE MEMBER, POSSESSES ALL OF THE RIGHTS GRANTED TO A MEMBER PURSUANT TO LAW, INCLUDING THE RIGHT TO ELECT TRUSTEES OR DIRECTORS AND APPROVE AMENDMENTS TO THE ARTICLES OF INCORPORATION OF THE ORGANIZATION NORTON ALSO POSSESSES THE RIGHT TO REQUIRE THE ORGAN IZATION TO (I) PROVIDE CONTRIBUTIONS OF FUNDS OF THE ORGANIZATION TO PAY ALL TO A PORTION OF THE PRINCIPLE OF, INTEREST ON, AND ALL OTHER PAYMENTS TO BECOME DUE AND OWING WITH RESP ECT TO ANY AND ALL INDEBTEDNESS INCURRED BY NORTON, AND (II) PROVIDE SECURITY FOR SUCH IND EBTEDNESS

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 11b Review of form 990 by governing body	AT THE OCTOBER 5, 2017 NORTON HEALTHCARE, INC (NORTON) FINANCE COMMITTEE MEETING AND AT T HE OCTOBER 26, 2017 NORTON BOARD OF TRUSTEES MEETING, THE 990S WERE DISCUSSED AND COMMITTE E MEMBERS AND TRUSTEES HAD AN OPPORTUNITY TO ASK QUESTIONS COINCIDING WITH THE FINANCE CO MMITTEE MEETING, ELECTRONIC COPIES OF THE 990S WERE MADE AVAILABLE TO ALL MEMBERS OF THE F INANCE COMMITTEE AND BOARD OF TRUSTEES THROUGH THE DIRECTORS PORTAL SITE, PRIOR TO THE FIL ING WITH THE IRS NORTON IS THE PARENT OF COMMUNITY MEDICAL ASSOCIATES, INC , NORTON HOSPI TALS, INC , NORTON PROPERTIES, INC , NORTON HEALTHCARE FOUNDATION, INC , AND THE CHILDREN' S HOSPITAL FOUNDATION, INC

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 12c Conflict of interest policy	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONF LICT OF INTEREST POLICY BY ANNUALLY DISTRIBUTING A QUESTIONNAIRE THAT REQUIRES OFFICERS, T RUSTEES, AND KEY EMPLOYEES TO DISCLOSE INTERESTS THAT MAY GIVE RISE TO CONFLICTS IF A CON FLICT ARISES, THE POLICY PROVIDES PROCEDURES FOR ADDRESSING CONFLICTS TO ENSURE DECISIONS ARE MADE IN THE BEST INTERST OF THE ORGANIZATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15a Process to establish compensation of top management official	Please see explanation provided for Form 990, Part VI, Line 15b

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15b Process to establish compensation of other employees	The organization takes all necessary steps to ensure that compensation for all officers, d irectors and key employees is reasonable and appropriate for the services provided to the organization The organization provides a total compensation package that is on par with c ompensation provided by similar organizations and which conforms to the policies and guide lines set out by the Board of Trustees Norton Healthcare, Inc (Norton) engages an outsid e independent compensation consultant, Integrated Healthcare Strategies (IHS), to provide comparability data for Norton's officers and key employees on total compensation for simil ar positions at health systems and hospital organizations similar in size, scope of servic es, and circumstances In addition, the organization participates in third party surveys w hich provide aggregate, comparative compensation data for officers and key employees in si milar positions at similar organizations IHS consultants presented and discussed this com parability data in 2015 for the 2016 compensation review and met in 2016 for the 2017 comp ensation review with the committee of board leadership (now Executive Committee) of the Bo ard of Trustees (Board) The Committee reviewed the executive compensation and benefits pro gram, determined total compensation for the CEO, and approved compensation for other offic ers and key employees The Committee reviewed Norton's variable compensation program and d etermined appropriate awards for performance relative to goals set for the year After the Committee determined appropriate compensation and benefits for officers and key employees , the Board approved their total compensation

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 19 Required documents available to the public	FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICTS OF INTEREST POLICIES ARE NOT REQU IRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104 THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VII, Section A, Line 1a, Column (E) Board Member Stipend Payments	Norton Healthcare, Inc (Norton) and affiliates (Norton Hospitals, Inc , Community Medical Associates, Inc , Norton Properties, Inc , Norton Healthcare Foundation, Inc , and The Ch ildren's Hospital Foundation, Inc) encourages and facilitates board member attendance at educational programs and conferences on subjects relevant to Norton Norton's travel polic y for Board of Trustees provides that for each trustee that attends at least one out of to wn educational conference, a lump sum stipend will be paid to cover unreimbursed travel ex pense and other miscellaneous expenses associated with conference preparation, attendance or follow up In compliance with IRS regulations, Norton provides a form 1099 to any trust ee that receives a stipend These amounts have been reported in Part VII or the form 990 a s reportable compensation to the trustee receiving stipends in 2016

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VIII, Line 11d Other Miscellaneous Revenue	Meaningful Use Reimbursement - Total Revenue 1295174, Related or Exempt Function Revenue 1295174, Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 , Misc - Total Revenue 194325, Related or Exempt Function Revenue 194325, Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 , - Total Revenue , Related or Exempt Function Revenue , Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 ,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, Line 9 Other changes in net assets or fund balances	AFFILIATE TRANSFER - -194372,

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493317031577

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Norton Hospitals Inc

Employer identification number
61-0703799

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	(g) No
(1)NORTON HEALTHCARE INC ACCOUNTING 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1028725	PROVIDE ADMINISTRATIVE AND SUPPORT SERVICES	KY	501(c)(3)	Type II	NA		No
(2)COMMUNITY MEDICAL ASSOCIATES INC ACCOUNTING 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1276316	OPERATES A NETWORK OF PHYSICIAN PRACTICES	KY	501(c)(3)	9	NORTON HEALTHCARE INC		No
(3)NORTON PROPERTIES INC ACCOUNTING 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1028724	MAINTAIN OFFICE AND PARKING FACILITIES	KY	501(c)(3)	Type I	NORTON HEALCARE INC		No
(4)THE CHILDREN'S HOSPITAL FOUNDATION INC ACCOUNTING 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-6027530	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(c)(3)	7	NORTON HEALTHCARE INC		No
(5)NORTON HEALTHCARE FOUNDATION INC ACCOUNTING 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 31-0914919	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(c)(3)	7	NORTON HEALTHCAREINC		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1)NORTON ENTERPRISES INC 224 E BROADWAY 5TH FLOOR LOUISVILLE, KY 40202 61-1054301	PROVIDE NURSING AND PATHOLOGY SERVICES	KY	NA	C Corporation					

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

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation