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Form **990**

Change of Accounting Period

OMB No 1545-0047

**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](http://www.irs.gov/form990).

**2016****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

<b>A</b> For the 2016 calendar year, or tax year beginning 10/01, 2016, and ending 3/31, 2017	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> <b>SILVERTON HEALTH</b> <b>DBA LEGACY SILVERTON HEALTH</b> <b>342 FAIRVIEW STREET</b> <b>SILVERTON, OR 97381</b>
<b>D</b> Employer identification number 93-0281321	
<b>E</b> Telephone number 503-415-5600	
<b>G</b> Gross receipts \$ 68,845,411.	
<b>F</b> Name and address of principal officer: <b>GEORGE J. BROWN, MD</b> Same As C Above	
<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list (see instructions)	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (Insert no.) 4947(a)(1) or 527	
<b>J</b> Website: N/A	
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	
<b>L</b> Year of formation 1918 <b>M</b> State of legal domicile OR	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <u>Through Silvertown Health (SH), we come together to improve the health of our communities. SH's mission is to encourage wellness, deliver quality health care and build a collaborative team fostering integrity, accountability and innovation.</u>		
	2 Check this box <input type="checkbox"/> 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)	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	1,001
	6	Total number of volunteers (estimate if necessary)	99
	<b>Revenue</b>	7a	Total unrelated business revenue from Part VIII, column (C), line 12
7b		Net unrelated business taxable income from Form 990-T, line 34	0.
		<b>Prior Year</b>	
8		Contributions and grants (Part VIII, line 1b)	108,136.
9		Program service revenue (Part VIII, line 2g)	148,937.
10		Investment income (Part VIII, column (A), lines 3-4, and 7d)	68,687,214.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,626.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,438,252.
13		Grants and similar amounts paid (Part IX, column (A), lines 1-3)	128,768,676.
14		Benefits paid to or for members (Part IX, column (A), line 4)	68,841,777.
<b>Expenses</b>	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	59,896.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	
	b	Total fundraising expenses (Part IX, column (D), line 25)	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	72,639,728.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	35,908,554.
	19	Revenue less expenses Subtract line 18 from line 12	
			<b>Beginning of Current Year</b>
	20	Total assets (Part X, line 16)	49,374,218.
	21	Total liabilities (Part X, line 26)	35,395,528.
	22	Net assets or fund balances Subtract line 21 from line 20	122,073,842.
		<b>End of Year</b>	
		6,694,834.	
		-2,462,305.	
		74,260,061.	
		62,691,179.	
		34,339,970.	
		22,388,696.	
		39,920,091.	
		40,302,483.	

**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.

<b>Sign Here</b>	Signature of officer: <u>Sarah K. Jensen</u>		Date: <u>2/14/18</u>
	Type or print name and title: <u>SARAH K. JENSEN</u>		<u>INTERIM CFO</u>
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date
	Self-Prepared		Check <input checked="" type="checkbox"/> if self employed
	Firm's name	Firm's EIN	PTIN
	Firm's address	Phone no	

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

BAA For Paperwork Reduction Act Notice, see the separate instructions.

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Form 990 (2016)

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**Part III Statement of Program Service Accomplishments**

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

☒ X**1** Briefly describe the organization's mission:

See Schedule O

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ 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 \$ 55,157,179. including grants of \$ ) (Revenue \$ 68,687,214. )

See Schedule O

**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 ▶ 55,157,179.

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

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H	X	
<b>b</b> If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
<b>21</b> 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		X
<b>22</b> 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		X
<b>23</b> 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	X	
<b>24a</b> 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		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I		X
<b>b</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		X
<b>26</b> 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		X
<b>27</b> 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		X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
<b>c</b> 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	X	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II		X
<b>33</b> 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		X
<b>34</b> 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	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
<b>b</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		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2		X
<b>37</b> 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		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

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Form 990 (2016)

**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
<b>1 a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1 a</b> 124		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1 b</b> 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1 c</b>	X	
<b>2 a</b> 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.	<b>2 a</b> 1,001		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2 b</b>	X	
<b>3 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3 a</b>		X
<b>b</b> If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O.	<b>3 b</b>		
<b>4 a</b> 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)?	<b>4 a</b>		X
<b>b</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).			
<b>5 a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5 a</b>		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5 b</b>		X
<b>c</b> If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?	<b>5 c</b>		
<b>6 a</b> 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?	<b>6 a</b>		X
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6 b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> 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?	<b>7 a</b>		X
<b>b</b> If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	<b>7 b</b>		
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7 c</b>		X
<b>d</b> If 'Yes,' indicate the number of Forms 8282 filed during the year.	<b>7 d</b>		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7 e</b>		X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7 f</b>		X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7 g</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7 h</b>		
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9 a</b>		
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9 b</b>		
<b>10 Section 501(c)(7) organizations.</b> Enter.			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12.	<b>10 a</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10 b</b>		
<b>11 Section 501(c)(12) organizations.</b> Enter.			
<b>a</b> Gross income from members or shareholders.	<b>11 a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11 b</b>		
<b>12 a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12 a</b>		
<b>b</b> If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.	<b>12 b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13 a</b>		
<b>b</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.	<b>13 b</b>		
<b>c</b> Enter the amount of reserves on hand.	<b>13 c</b>		
<b>14 a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14 a</b>		X
<b>b</b> If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.	<b>14 b</b>		

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

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

☒**Section A. Governing Body and Management**

	Yes	No
<b>1 a</b> Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	14	
<b>1 b</b> Enter the number of voting members included in line 1a, above, who are independent.	13	
<b>2</b> 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?		X
<b>3</b> 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? See Sch O	X	
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b> Did the organization have members or stockholders? See Schedule O	X	
<b>7 a</b> 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? See Schedule O	X	
<b>7 b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? See Sch O	X	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> 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		X

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

	Yes	No
<b>10 a</b> Did the organization have local chapters, branches, or affiliates?		X
<b>10 b</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?		
<b>11 a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11 b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O		
<b>12 a</b> Did the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
<b>12 b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12 c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. See Schedule O	X	
<b>13</b> Did the organization have a written whistleblower policy?	X	
<b>14</b> Did the organization have a written document retention and destruction policy?	X	
<b>15</b> 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?		
<b>a</b> The organization's CEO, Executive Director, or top management official	X	
<b>b</b> Other officers or key employees of the organization. See Schedule O. If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions)	X	
<b>16 a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
<b>16 b</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?	X	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed OR

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

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

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

**20** State the name, address, and telephone number of the person who possesses the organization's books and records. ▶

SARAH K. JENSEN 1919 NW LOVEJOY STREET PORTLAND OR 97209 503-415-5600

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVE BUCK Chairman	2 0	X		X				0.	0.	0.
(2) GEORGE J. BROWN, MD BOARD DIRECTOR	2 40	X						0.	1,601,886.	609,328.
(3) ELIZABETH BLOUNT, MD BOARD DIRECTOR	2 2	X						0.	0.	0.
(4) DAVID BRIGGS BOARD DIRECTOR	2 0	X						0.	0.	0.
(5) DENISE CHUN, MD BOARD DIRECTOR	2 0	X						0.	0.	0.
(6) BETH DAVISSON Secretary	2 0	X		X				0.	0.	0.
(7) SCOTT DERICKSON BOARD DIRECTOR	2 0	X						0.	0.	0.
(8) MIKE DICKMAN VICE CHAIR	2 0	X		X				0.	0.	0.
(9) ROBERTO FRANCO BOARD DIRECTOR	2 0	X						0.	0.	0.
(10) JEFFREY D. FULLMAN, MD BOARD DIRECTOR	2 4	X						0.	79,293.	0.
(11) FRANK GOLDEN, MD BOARD DIRECTOR	2 0	X						0.	0.	0.
(12) SHANDRA GREIG, MD BOARD DIRECTOR	2 0	X						0.	0.	0.
(13) KEITH HAUGEN, MD BOARD DIRECTOR	2 0	X						0.	0.	0.
(14) JANE JONES BOARD DIRECTOR	2 2	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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			
(15) DARC Y RUEF Treasurer	2 0	X		X			0.	0.	0.
(16) GAYLE GOSCHIE BOARD DIRECTOR	2 0	X					0.	5,750.	0.
(17) BOB ENGLE BOARD DIRECTOR	2 2	X					0.	0.	0.
(18) GARY SIMON BOARD DIRECTOR	2 0	X					0.	0.	0.
(19) JOHN ZIELINSKI BOARD DIRECTOR	2 0	X					0.	0.	0.
(20) SARAH K. FRONZA President	40 0			X			270,779.	0.	23,865.
(21) DANIEL L. JESSUP CFO	40 0			X			167,930.	0.	10,428.
(22) KAREN M. BRADY CIO	40 0				X		146,132.	0.	24,000.
(23) LINDA DAMIANO COO CLINICS	40 0				X		143,475.	0.	26,194.
(24) JAMES JENSEN MEDICAL DIRECTOR	40 0			X			415,281.	0.	43,985.
(25) DAVID A. THORSETT PHYSICIAN	40 0					X	664,441.	0.	48,867.
<b>1 b Sub-total</b>							<b>1,808,038.</b>	<b>1,686,929.</b>	<b>786,667.</b>
<b>c Total from continuation sheets to Part VII, Section A</b>							<b>2,088,949.</b>	<b>0.</b>	<b>81,976.</b>
<b>d Total (add lines 1b and 1c)</b>							<b>3,896,987.</b>	<b>1,686,929.</b>	<b>868,643.</b>

**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 **122**

**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

	Yes	No
<b>3</b>		X
<b>4</b>	X	
<b>5</b>		X

**4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes,' complete Schedule J for such individual

**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

**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
SILVER FALLS ANESTHESIA, LLC PO BOX 92 SILVERTON, OR 97213	PATIENT SERVICE	576,114.
PT NORTHWEST LLC 342 FAIRVIEW STREET SILVERTON, OR 97381	PATIENT SERVICE	406,706.
GE HEALTHCARE PO BOX 96483 CHICAGO, IL 60693	MEDICAL SERVICES	152,164.
SHIFTWISE 200 SW MARKET ST, SUITE 700 PORTLAND, OR 97201	CONTRACT MAINTENANCE	137,510.
BOOST HEALTHCARE CONSULTING, LLC 1320 HARBOR BAY PKWY #220 ALAMEDA,	CONSULTING	135,855.

**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 **14**



Department of the Treasury  
Internal Revenue Service

## 2016

Name of the Organization

Employer Identification number

SILVERTON HEALTH

93-0281321

**Part VII Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

[illegible]

**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
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1 a</b>			
	<b>b</b> Membership dues	<b>1 b</b>			
	<b>c</b> Fundraising events	<b>1 c</b>			
	<b>d</b> Related organizations	<b>1 d</b>			
	<b>e</b> Government grants (contributions)	<b>1 e</b> 148,937.			
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1 f</b>			
	<b>g</b> Noncash contributions included in lines 1a-1f \$				
	<b>h Total.</b> Add lines 1a-1f	148,937.			
<b>Program Service Revenue</b>	<b>2 a</b> <u>PATIENT PROGRAM REV</u>	<u>621110</u>	133026760.	133026760.	
	<b>b</b> <u>CAFE, PHARMACY &amp; ETC</u>		301,363.		301,363.
	<b>c</b> <u>CHARITY CARE</u>		-4,402,565.	-4,402,565.	
	<b>d</b> <u>CONTRACTUAL ALLOWANCE</u>		-60238344.	-60238344.	
	<b>e</b>				
	<b>f</b> All other program service revenue				
	<b>g Total.</b> Add lines 2a-2f	68,687,214.			
	<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)		9,260.	
<b>4</b> Income from investment of tax-exempt bond proceeds.					
<b>5</b> Royalties					
<b>6 a</b> Gross rents		(i) Real (ii) Personal			
<b>b</b> Less rental expenses					
<b>c</b> Rental income or (loss)					
<b>d</b> Net rental income or (loss)					
<b>7 a</b> Gross amount from sales of assets other than inventory		(i) Securities (ii) Other			
<b>b</b> Less cost or other basis and sales expenses			3,634.		
<b>c</b> Gain or (loss)			-3,634.		
<b>d</b> Net gain or (loss)			-3,634.		-3,634.
<b>8 a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		<b>a</b>			
<b>b</b> Less direct expenses		<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events					
<b>9 a</b> Gross income from gaming activities See Part IV, line 19		<b>a</b>			
<b>b</b> Less direct expenses		<b>b</b>			
<b>c</b> Net income or (loss) from gaming activities					
<b>10 a</b> Gross sales of inventory, less returns and allowances		<b>a</b>			
<b>b</b> Less cost of goods sold	<b>b</b>				
<b>c</b> Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>			
<b>11 a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b> All other revenue					
<b>e Total.</b> Add lines 11a-11d					
<b>12 Total revenue.</b> See instructions		68,841,777.	68,385,851.	0.	306,989.

**Part IX Statement of Functional Expenses**

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,324,035.	993,026.	331,009.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	27,156,300.	20,367,225.	6,789,075.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,562,552.	1,171,914.	390,638.	
9 Other employee benefits	4,019,923.	3,014,942.	1,004,981.	
10 Payroll taxes	1,845,744.	1,384,308.	461,436.	
11 Fees for services (non-employees).				
a Management				
b Legal	81,119.		81,119.	
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.)				
12 Advertising and promotion				
13 Office expenses	8,987,687.	8,288,404.	699,283.	
14 Information technology				
15 Royalties				
16 Occupancy	1,618,567.	1,213,925.	404,642.	
17 Travel	106,992.	80,244.	26,748.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	15,005.	11,254.	3,751.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,006,299.	1,504,724.	501,575.	
23 Insurance	870,459.	905,023.	-34,564.	
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 <u>CONTRACT SERVICES</u>	21,713,964.	16,285,473.	5,428,491.	
b <u>OTHER EXPENSES</u>	229,515.	172,136.	57,379.	
c <u>CONSULTING</u>	1,340.		1,340.	
d <u>BAD DEBTS</u>	-235,419.	-235,419.		
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	71,304,082.	55,157,179.	16,146,903.	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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash – non-interest-bearing	7,297,216.	<b>1</b>	9,131,387.
	<b>2</b> Savings and temporary cash investments		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	19,256,506.	<b>4</b>	23,322,174.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		<b>5</b>	
	<b>6</b> 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		<b>6</b>	
	<b>7</b> Notes and loans receivable, net		<b>7</b>	
	<b>8</b> Inventories for sale or use	1,852,886.	<b>8</b>	1,096,057.
	<b>9</b> Prepaid expenses and deferred charges	1,420,277.	<b>9</b>	1,083,545.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 35,515,910.		
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 3,363,693.	<b>31,276,683.</b>	<b>10c</b> 32,152,217.
	<b>11</b> Investments – publicly traded securities		<b>11</b>	
	<b>12</b> Investments – other securities. See Part IV, line 11		<b>12</b>	-6,591,324.
	<b>13</b> Investments – program-related. See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11	13,156,493.	<b>15</b>	2,497,123.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	74,260,061.	<b>16</b>	62,691,179.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	24,037,541.	<b>17</b>	17,129,494.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> 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		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	5,176,843.	<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> 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	5,125,586.	<b>25</b>	5,259,202.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	34,339,970.	<b>26</b>	22,388,696.
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>		
<b>27</b> Unrestricted net assets		39,920,091.	<b>27</b>	40,302,483.
<b>28</b> Temporarily restricted net assets			<b>28</b>	
<b>29</b> Permanently restricted net assets			<b>29</b>	
<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
<b>30</b> Capital stock or trust principal, or current funds			<b>30</b>	
<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund			<b>31</b>	
<b>32</b> Retained earnings, endowment, accumulated income, or other funds			<b>32</b>	
<b>33</b> <b>Total net assets or fund balances</b>		39,920,091.	<b>33</b>	40,302,483.
<b>34</b> <b>Total liabilities and net assets/fund balances</b>		74,260,061.	<b>34</b>	62,691,179.

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Form 990 (2016)

**Part XI Reconciliation of Net Assets**

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

☒

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	68,841,777.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	71,304,082.
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-2,462,305.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	39,920,091.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O) See Schedule O	<b>9</b>	2,844,697.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	40,302,483.

**Part XII Financial Statements and Reporting**

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

☐

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
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			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	X	
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			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
<b>c</b>	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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
<b>3a</b>	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?	X	
<b>b</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	X	

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Form 990 (2016)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2016**

**Open to Public Inspection**

Name of the organization **SILVERTON HEALTH**  
**DBA LEGACY SILVERTON HEALTH**

Employer identification number

**93-0281321**

**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 **section 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 12g 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?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 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 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 <b>Total.</b> 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 <b>Public support.</b> 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 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 <b>First five years.</b> 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 <b>stop here</b> <input type="checkbox"/>						

**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 from 2015 Schedule A, Part II, line 14	15	%
16a <b>33-1/3% support test—2016.</b> If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b <b>33-1/3% support test—2015.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a <b>10%-facts-and-circumstances test—2016.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b <b>10%-facts-and-circumstances test—2015.</b> 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 <b>stop here.</b> Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

**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 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 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 <b>Total.</b> 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 <b>Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(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 <b>Total support.</b> (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 in line 12 on 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
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? If 'No,' describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
<b>2</b> 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 <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.		
<b>b</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 <b>Part VI</b> when and how the organization made the determination.		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in <b>Part VI</b> what controls the organization put in place to ensure such use.		
<b>4a</b> 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.		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If 'Yes,' describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
<b>c</b> 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 <b>Part VI</b> 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.		
<b>5a</b> 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 <b>Part VI</b> , 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).		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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 <b>Part VI</b> .		
<b>7</b> 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).		
<b>8</b> 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).		
<b>9a</b> 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 <b>Part VI</b> .		
<b>b</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 <b>Part VI</b> .		
<b>c</b> 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 <b>Part VI</b> .		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If 'Yes,' answer 10b below.		
<b>b</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.)		

**Part IV Supporting Organizations (continued)**

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?

b A family member of a person described in (a) above?

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**.

	Yes	No
11a		
11b		
11c		

**Section B. Type I Supporting Organizations**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.

	Yes	No
1		
2		

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.**Section C. Type II Supporting Organizations**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).

	Yes	No
1		

**Section D. All Type III Supporting Organizations**

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?

	Yes	No
1		
2		
3		

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).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.**Section E. Type III Functionally Integrated Supporting Organizations**

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

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

2 Activities Test. Answer (a) and (b) below.

a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? 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.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.

	Yes	No
2a		
2b		
3a		
3b		

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**.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.

**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 (explain in Part VI). 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 <b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8		

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d <b>Total</b> (add lines 1a, 1b, and 1c)	1d		
e <b>Discount</b> 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 <b>Minimum Asset Amount</b> (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 <b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).			

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Schedule A (Form 990 or 990-EZ) 2016

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

<b>Section D – Distributions</b>		<b>Current Year</b>
<b>1</b>	Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b>	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b>	Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b>	Amounts paid to acquire exempt-use assets	
<b>5</b>	Qualified set-aside amounts (prior IRS approval required)	
<b>6</b>	Other distributions (describe in <b>Part VI</b> ). See instructions	
<b>7</b>	<b>Total annual distributions.</b> Add lines 1 through 6	
<b>8</b>	Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b>	Distributable amount for 2016 from Section C, line 6	
<b>10</b>	Line 8 amount divided by Line 9 amount	

<b>Section E – Distribution Allocations (see instructions)</b>		<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2016</b>	<b>(iii) Distributable Amount for 2016</b>
<b>1</b>	Distributable amount for 2016 from Section C, line 6			
<b>2</b>	Underdistributions, if any, for years prior to 2016 (reasonable cause required – explain in <b>Part VI</b> ). See instructions			
<b>3</b>	Excess distributions carryover, if any, to 2016			
<b>a</b>				
<b>b</b>				
<b>c</b>	From 2013			
<b>d</b>	From 2014			
<b>e</b>	From 2015			
<b>f</b>	<b>Total</b> of lines 3a through e			
<b>g</b>	Applied to underdistributions of prior years			
<b>h</b>	Applied to 2016 distributable amount			
<b>i</b>	Carryover from 2011 not applied (see instructions)			
<b>j</b>	Remainder Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b>	Distributions for 2016 from Section D, line 7. \$			
<b>a</b>	Applied to underdistributions of prior years			
<b>b</b>	Applied to 2016 distributable amount			
<b>c</b>	Remainder Subtract lines 4a and 4b from 4.			
<b>5</b>	Remaining underdistributions for years prior to 2016, if any Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b>	Remaining underdistributions for 2016 Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7</b>	<b>Excess distributions carryover to 2017.</b> Add lines 3j and 4c			
<b>8</b>	Breakdown of line 7:			
<b>a</b>				
<b>b</b>	Excess from 2013			
<b>c</b>	Excess from 2014			
<b>d</b>	Excess from 2015			
<b>e</b>	Excess from 2016			

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Schedule A (Form 990 or 990-EZ) 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.)

**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](http://www.irs.gov/form990).

OMB No 1545-0047

**2016****Open to Public  
Inspection**

Name of the organization

SILVERTON HEALTH  
DBA LEGACY SILVERTON HEALTH

Employer identification number

93-0281321

**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)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

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

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

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

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

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

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

	Amount
1 c	
1 d	
1 e	
1 f	

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	205,441.	176,267.	194,250.	197,792.	232,087.
b Contributions	189,003.	27,569.	539.	11,400.	1,124.
c Net investment earnings, gains, and losses	5,630.	8,396.	-5,539.	15,699.	18,362.
d Grants or scholarships					
e Other expenditures for facilities and programs	67,874.	6,790.	12,983.	30,641.	53,781.
f Administrative expenses					
g End of year balance	332,200.	205,442.	176,267.	194,250.	197,792.

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

- a Board designated or quasi-endowment ▶ 92.00 %  
 b Permanent endowment ▶ 8.00 %  
 c Temporarily restricted endowment ▶ \_\_\_\_\_ %  
 The percentages on lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations.  
 (ii) related organizations

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

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

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

**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		2,740,000.		2,740,000.
b Buildings		20,490,890.	1,158,695.	19,332,195.
c Leasehold improvements		17,066.	1,067.	15,999.
d Equipment		10,933,759.	2,203,931.	8,729,828.
e Other		1,334,195.		1,334,195.

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10c) ▶ 32,152,217.

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Schedule D (Form 990) 2016

**Part VII Investments – Other Securities.**

N/A

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) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

**Part VIII Investments – Program Related.**

N/A

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) -----		
(10) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

**Part IX Other Assets.**

N/A

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) -----	
(2) -----	
(3) -----	
(4) -----	
(5) -----	
(6) -----	
(7) -----	
(8) -----	
(9) -----	
(10) -----	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.)	

**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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) OTHER NONCURRENT LIABILITIES	5,259,201.
(3) Rounding	1.
(4) -----	
(5) -----	
(6) -----	
(7) -----	
(8) -----	
(9) -----	
(10) -----	
(11) -----	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	5,259,202.

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.** N/A

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

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

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.** N/A

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

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

**Part XIII Supplemental Information.**

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

**Part V, Line 4 - Intended Uses Of Endowment Fund**

Endowment funds disclosed in Part V are used to improve the healthcare of the community as designated by the donors. Silvertown Health Foundation maintains all charitable gifts including endowment funds for the benefit of Silvertown Health and it's programs.

Income from permanently restricted net assets is accounted for in accordance with the donors' instructions.

**Part XIII Supplemental Information** (continued)**Part V, Line 4 - Intended Uses Of Endowment Fund (continued)**

Legacy follows the guidance in the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in determining the net asset classification of all donor-restricted endowment funds. In accordance with UPMIFA and board policy, assets classified as permanent endowments in accordance with donor intent are only utilized for current period expenditures to the extent that earnings on the endowment exceed the original fair value of the donation. To the extent earnings on endowment funds exceed identified expenditures on which to apply those earnings, the earnings are classified as temporarily restricted net assets.

Legacy has adopted investment and spending policies for endowment assets to provide a predictable stream of funding to programs supported by its endowment and to maintain the value of the endowment assets. Asset allocation is reviewed quarterly with respect to: i) Legacy's tolerance for risk based on its financial condition and need for cash from investments to support operations; ii) expected asset class return, risk and correlation characteristics; iii) changes in accounting guidance or tax law and iv) changes in bond covenants or other restrictions.

Legacy's spending practices are intended to comply with donor's wishes and meet all applicable laws and regulations. Spending must be for a purpose that is consistent with the documented intent of the donor, and may not exceed the amounts annually determined by Legacy. Factors that are considered in addressing the annual spending allocation are: i) market value of the fund relative to the principal of the gift and ii) the level of spending in prior years.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Legacy to retain as a fund of perpetual duration. Deficiencies of this nature are reported as a reduction to unrestricted net assets and are excluded from the performance indicator.

**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No 1545-0047

**2016**

Department of the Treasury  
Internal Revenue Service

- **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](http://www.irs.gov/form990).**

**Open to Public Inspection**

Name of the organization

Employer identification number

SILVERTON HEALTH

93-0281321

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

- 1a** Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a  
**b** If 'Yes,' was it a written policy?
- 2** If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  
☒ **Applied uniformly to all hospital facilities** ☐ **Applied uniformly to most hospital facilities**  
☐ **Generally tailored to individual hospital facilities**
- 3** Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  
**a** Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care?  
If 'Yes,' indicate which of the following was the FPG family income limit for eligibility for free care  
☐ 100% ☐ 150% ☐ 200% ☒ **Other** 300.0 %  
**b** Did the organization use FPG as a factor in determining eligibility for providing *discounted* care?  
If 'Yes,' indicate which of the following was the family income limit for eligibility for discounted care.  
☐ 200% ☐ 250% ☐ 300% ☐ 350% ☒ **400%** Other \_\_\_\_\_ %  
**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'?
- 5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?  
**b** If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount?  
**c** If 'Yes' to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?
- 6a** Did the organization prepare a community benefit report during the tax year?  
**b** If 'Yes,' did the organization make it available to the public?  
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

	Yes	No
<b>1a</b>	X	
<b>1b</b>	X	
<b>2</b>		
<b>3a</b>	X	
<b>3b</b>	X	
<b>4</b>	X	
<b>5a</b>	X	
<b>5b</b>		X
<b>5c</b>		
<b>6a</b>	X	
<b>6b</b>	X	

**7 Financial Assistance and Certain Other Community Benefits at Cost**

<b>Financial Assistance and Means-Tested Government Programs</b>	<b>(a) Number of activities or programs (optional)</b>	<b>(b) Persons served (optional)</b>	<b>(c) Total community benefit expense</b>	<b>(d) Direct offsetting revenue</b>	<b>(e) Net community benefit expense</b>	<b>(f) Percent of total expense</b>
<b>a</b> Financial Assistance at cost (from Worksheet 1)			1,236,305.	445,649.	790,656.	1.11
<b>b</b> Medicaid (from Worksheet 3, column a)			10,280,583.	3,617,848.	6,662,735.	9.34
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d</b> Total Financial Assistance and Means-Tested Government Programs	0	0	11,516,888.	4,063,497.	7,453,391.	10.45
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			171,005.		171,005.	0.24
<b>f</b> Health professions education (from Worksheet 5)			234,704.		234,704.	0.33
<b>g</b> Subsidized health services (from Worksheet 6)						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			172,673.		172,673.	0.24
<b>j</b> Total. Other Benefits.	0	0	578,382.	0.	578,382.	0.81
<b>k</b> Total. Add lines 7d and 7j	0	0	12,095,270.	4,063,497.	8,031,773.	11.26

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	0	0	0.	0.	0.	0.

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

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

Yes No

1 X

2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

Part VI

2

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

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.

Part VI

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME).

5

3,813,627.

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

6

4,650,925.

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

7

-837,298.

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:

Part VI

☐ Cost accounting system

☐ Cost to charge ratio

☐ Other

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year?

9a

X

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

Part VI

9b

X

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
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? 1

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)

[illegible]

**Part V Facility Information** (continued)

Copy 1 of 1

**Section B. Facility Policies and Practices**

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

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

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If 'Yes,' provide details of the acquisition in Section C	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If 'No,' skip to line 12	3	X
If 'Yes,' indicate what the CHNA report describes (check all that apply).		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA. <u>2016</u>		
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	Part V 5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If 'Yes,' list the other hospital facilities in Section C	Part V 6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If 'Yes,' list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If 'Yes,' indicate how the CHNA report was made widely available (check all that apply)		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>www.legacyhealth.org</u>		
b <input type="checkbox"/> Other website (list url):		
c <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If 'No,' skip to line 11	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy <u>2016</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If 'Yes,' (list url): <u>www.legacyhealth.org</u>		
b If 'No,' is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	X
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed	Part V	
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If 'Yes' to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If 'Yes' to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information (continued)**

Copy 1 of 1

**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group Silverton Hospital

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If 'Yes,' indicate the eligibility criteria explained in the FAP	X	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>300</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients?	X	
<b>15</b> Explained the method for applying for financial assistance? If 'Yes,' indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	X	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Was widely publicized within the community served by the hospital facility? If 'Yes,' indicate how the hospital facility publicized the policy (check all that apply)	X	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>www.legacyhealth.org</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>www.legacyhealth.org</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>www.legacyhealth.org</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j <input type="checkbox"/> Other (describe in Section C)		

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Schedule H (Form 990) 2016

**Part V Facility Information** (continued)

Copy 1 of 1

**Billing and Collections**Name of hospital facility or letter of facility reporting group Silverton Hospital

	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 nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> 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 <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> 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?		X
If 'Yes,' check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> 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 <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> 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?	X	
If 'No,' indicate why		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2016



**Part V Facility Information** (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group Silverton Hospital**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?

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?

If 'Yes,' explain in Section C.

	Yes	No
23		X
24		X

Schedule H (Form 990) 2016

**Part V Facility Information** (continued)

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**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.

**Part V, Line 5 - Account Input from Person Who Represent the Community**

Facility: Silverton Hospital

Legacy Silverton Medical Center (LSMC) participated in a community health needs assessment (CHNA) and developed an implementation plan with strategies to address identified needs. The plan summarizes the health needs findings and proposed implementation strategies for Marion County and a small section of Clackamas County. The assessment is focused primarily on Marion County which represents 94 percent of the LSMC primary service area. The assessment is a compilation of data from 3 main sources: 1) a partnership with the Marion County Health Department in collaboration with Salem Health and Santiam Hospital that includes contracting with Healthy Communities Institute (HCI) for health related data; 2) data compiled from stakeholder interviews and collaborative partnerships and 3) information gathered from focus groups representing community members of underserved populations. Needs were then prioritized and an implementation plan was developed to address the needs.

**Part V, Line 6a - List Other Hospital Facilities that Jointly Conducted Needs Assessment**

Facility: Silverton Hospital

The Marion County Community Health Improvement Partnership included the following facilities:

- Marion County Health Department
- Santiam Hospital
- Salem Health
- Oregon Child Development Coalition
- Silver Falls School District
- Woodburn School District
- Silverton Area Community Aid
- City of Silverton
- City of Woodburn

**Part V Facility Information** (continued)

Copy of

**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.

**Part V, Line 6a - List Other Hospital Facilities that Jointly Conducted Needs Assessment (continued)**

- French Prairie Nursing Home
- NW Senior and Disabilities Services
- Yakima Valley Farmworkers
- Bridgeway
- OSU Extension Services
- Marion County Children and Family Commission
- Woodburn Pediatrics Clinic
- Silverton Senior Center
- Marion County Health Advisory Board
- Silverton Together
- Willamette Valley Hospice
- Silver Falls Family YMCA
- Local business owners and community members

**Part V, Line 6b - CHNA Conducted by Organizations Other Than Hospital**

Facility: Silverton Hospital

Other organizations participating in the Marion County CHIP were:

- Clackamas County Public Health Department
- Willamette Valley Community Health
- Atrio
- Capital Dental
- Mid Valley Behavioral
- WVP Health Authority (WVP)
- Northwest Human Services
- Salem Clinic
- Salem Health
- Santiam Memorial Hospital

**Part V Facility Information** (continued)

Copy of

**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

**Part V, Line 6b - CHNA Conducted by Organizations Other Than Hospital (continued)**

- Silverton Health
- West Valley Hospital
- Yakima Valley Farm-workers
- Marion County Commissioners
- Polk County Public Health Department

**Part V, Line 11 - Explanation of Needs Not Addressed and Reasons Why**

Facility: Silverton Hospital

Community health improvement will be accomplished through strong partnerships with community agencies, such as Marion County Health Department, Boys and Girls Club of Marion and Polk County, Salvation Army, United Way, Community Action Agency, Early Learning Hub, surrounding school districts, and the faith-based community. Legacy Silverton Medical Center will look to champion and support efforts that align with the identified health priorities of this CHNA.

In the summer of 2014, Marion and Polk County Health departments began to discuss a vision for a joint community health assessment and improvement plan. Both counties enjoy working with similar partners including Legacy Silverton Medical Center, Salem Health, Kaiser Permanente, Willamette Valley Community Health, OSU Extension, Early Learning Hub, Inc., and United Way. Driven by shared data needs, Marion and Polk counties began planning for a joint community health assessment in September 2014. The Steering Committee selected the national model, Mobilization for Action through Planning and Partnerships or MAPP as the framework for the community health assessment. The four assessments of the MAPP framework include: Community Themes and Strengths, Local Public Health System Assessment (conducted in 2013), Community Health Status Assessment and The Forces of Change Assessment.

The Community Themes and Strengths Assessment was conducted by surveying community partners working in social, health, community, educational and correctional health

**Part V Facility Information** (continued)

Copy of

**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.

**Part V, Line 11 - Explanation of Needs Not Addressed and Reasons Why (continued)**

settings and the community at large. The surveys used in both Marion and Polk counties consisted of the same questions and used the 2011 Marion County survey as a template. Paper and electronic surveys were allocated based on population distribution throughout our communities. The Community Health Status Assessment was conducted by compiling data from national surveillance systems like the Behavior Risk Factor Surveillance Survey and Oregon Healthy Teens as well as state and local data from birth and death certificates.

Community partners were invited to participate in the review of community-level data, including surveys of community residents and health, education and social service providers and county-level data including demographics, socio-economic and health indicators. The regional groups prioritized the top 10 health indicators, set goals, identified strategies and developed a plan for improving the health of the community.

The results of this assessment and its process are published in the 2015 CHIP Report found on-line at <http://www.co.marion.or.us/HLT/chip>

Obesity/Chronic disease--partner with community-based programs that serve racial, ethnic, senior and underserved populations to provide chronic disease screenings, partner with racially and ethnically diverse organizations to provide chronic disease support services and education;

Behavioral Health/Depression--build capacity in community-based mental health organizations and collaborate with regional initiatives, provide healthy space for the community;

Health literacy--increase health literacy education in community; culturally competent care, and partner with diverse organizations to educate and empower marginalized communities.

**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? 16

Name and address	Type of Facility (describe)
1 WOODBURN FAMILY MEDICINE 1475 MT HOOD AVE WOODBURN, OR 97071	PRIMARY CARE CLINIC
2 WOODBURN DIAGNOSTIC IMAGING 693 RAY J GLATT CIRCLE WOODBURN, OR 97071	OUTPATIENT CLINIC
3 SH SPECIALIST CLINIC 452 WELCH ST SILVERTON, OR 97381	SPECIALIST CLINIC
4 MT ANGEL FAMILY MEDICINE 250 W MARQUAM ST MT ANGEL, OR 97362	PRIMARY CARE CLINIC
5 SILVERTON REHAB SERVICES 240 PHELPS ST SILVERTON, OR 97381	OUTPATIENT CLINIC
6 WOODBURN IMMEDIATE CARE 1475 MT HOOD AVE WOODBURN, OR 97071	URGENT CARE CLINIC
7 WOODBURN REHAB SERVICES 1475 MT HOOD AVE WOODBURN, OR 97071	OUTPATIENT CLINIC
8 WOODBURN GENERAL SURGERY 1475 MT HOOD AVE WOODBURN, OR 97071	SPECIALIST CLINIC
9 MIDWIFERY AND WOMENS WELLNESS 409 WELCH ST SILVERTON, OR 97381	PRIMARY CARE CLINIC
10 KEIZER HEALTH CENTER 5685 INLAND SHORES WAY N KEIZER, OR 97303	PRIMARY CARE CLINIC

BAA

Schedule H (Form 990) 2016



**Part VI Supplemental Information**

Provide the following information

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**Part III, Line 2 - Methodology Used To Estimate Bad Debt Expense**

Silverton Health (SH) uses many different approaches to inform and educate patients on the availability of financial assistance as is described later in Part VI of Schedule H. Still, many patients do not respond to requests for information or provide appropriate documentation to benefit from financial assistance. As a result, SH must report these amounts as bad debt.

Due to the short year and timing difference between book and tax, SH has a negative bad debt expense for the FY2017 return. However, SH had about \$1.5 million in bad debts according to book for a period of 10 months.

**Part III, Line 4 - Bad Debt Expense**

The organization utilizes a cost accounting system for determining the associated cost of providing services to patients without insurance that are subsequently written off as bad debts. That percentage is then applied to the total bad debt expense per the general ledger (based on charges) to determine the associated cost. Collections from the patient/guarantor are netted against that cost to determine a net cost. Any collections received on accounts that were written off to bad debt (either partially or in full) were netted against the cost of providing the services to the patient in order to determine a net cost.

The organization currently does not have the systems necessary to reasonably



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**Part III, Line 4 - Bad Debt Expense (continued)**

estimate the amount of bad debt expense that could be attributable to patients eligible under the organization's financial assistance policy.

The hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. The hospital provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the hospital bills third-party payors directly and bills the patient when the patient's liability is determined. patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

**Part III, Line 8 - Explanation Of Shortfall As Community Benefit**

The entire Medicare shortfall should be considered a community benefit. Medicare shortfalls must be absorbed by the hospital in order to continue treating the elderly in the community served by the hospital. The hospital provides care regardless of this shortfall and thereby relieves the federal government of the burden of paying the full cost for Medicare beneficiaries.

The Medicare amounts listed in Part III Section B. on lines 5, 6, and 7 do not

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**Part III, Line 8 - Explanation Of Shortfall As Community Benefit (continued)**

represent all of the organization's revenues and costs associated with its participation in Medicare programs. The methodology used in reporting in Part III Section B Medicare is inconsistent with the other sections in Schedule H, as the instructions limit Medicare revenues and allowable cost to those from only the Medicare Cost Report. Revenue and costs from Medicare Part C patients, Part B physician services billed by the organization, and clinical laboratory services weren't included. In addition, hospitals incur other costs to provide care that Medicare does not allow in the cost report, such as Physician Call pay to ensure adequate physician coverage for the ED.

The total revenues and costs attributable to all Medicare services are \$7,794,500 and \$10,775,000 respectively. This results in a total Medicare shortfall of \$2,980,500.

Costing Methodology (Part III, Line 8).

Medicare allowable costs were calculated using the costing methodologies in the Medicare Cost Report. The cost report arrives at total allowable hospital cost through a cost finding process that includes direct cost allocations and a step-down allocation of indirect or overhead costs. Inpatient operating costs are composed of

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**Part III, Line 8 - Explanation Of Shortfall As Community Benefit (continued)**

general inpatient routine and ICU unit costs derived from cost per diems, as well as inpatient ancillary service costs that utilize cost to charge ratios to arrive at cost. Apportionment of cost applicable to hospital outpatient services is through the application of cost to charge ratios. This excludes other costs incurred to provide services of the hospital to the community that the cost report deems as unallowable costs, such as Physician on-call pay.

**Part III, Line 9b - Provisions On Collection Practices For Qualified Patients**

Legacy provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its financial assistance policy. Since Legacy does not pursue collection of amounts determined to qualify as charity care, they are excluded from net patient service revenues.

**Part VI - Needs Assessment**

The described CHNA provides the primary source for assessing needs. Community Benefit and Community Relations staff as well as Legacy representatives on nonprofit and community based boards serving communities at risk also provide ongoing informal feedback regarding needs. These are then aligned to the community health needs identified in the formal CHNA.

SH also uses a product from Healthy Communities Institute which provides

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**Part VI - Needs Assessment (continued)**

high-quality community health assessment data, improved health indicator tracking, best practice sharing and community development tools that function together to help improve the health and environmental sustainability of the community. The product (which highlights by county and zip code) is used in conjunction with community health work groups which are assembled in three areas of our PSA: Salem, Silverton and Woodburn. We also work with local not-for-profit community organizations and local schools to identify additional smaller needs.

Direct requests (via email, call, letter) from state, local, and not-for-profit groups/organizations are also received for assistance in meeting other health and community building needs.

**Part VI - Patient Education of Eligibility for Assistance**

SH employs financial counselors and social workers that assist patients in obtaining coverage for their healthcare needs. This includes assistance with workers compensation, motor vehicle accident policies, COBRA, veterans' assistance, SH's financial assistance program, and public assistance programs, such as Medicaid.

The criteria for financial assistance under SH's program is determined based on eligibility for insurance coverage, household income, qualified assets, catastrophic medical events, or other information supporting a patient's inability to pay for

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**Part VI - Patient Education of Eligibility for Assistance (continued)**

services provided. Specifically, the SH's Financial Assistance Program provides an uninsured discount of 35% to patients who have resided within SH's primary service area for a period of six months, are uninsured for hospital care, and have a household income of less than \$100,000 annually. Further discounts are available for patients, on a sliding scale, whose household income is less than 400% of the federal poverty level or roughly \$97,000 for a family of four in the Portland, Oregon metropolitan area. For patients whose household income is at or below 300% of the federal poverty level, a full subsidy is available. In addition to the household income criteria, the patients' qualified assets (e.g. 25% of household assets), and other catastrophic or economic circumstances are considered in determining eligibility.

In addition to financial counselors and social workers, SH makes every effort to communicate its Financial Assistance Program to all patients. This includes signage in main admitting areas of the hospital and brochures explaining financial assistance in all patient care areas, as well as in appropriate languages. Financial counselors are available to assist patients in understanding and applying for available resources, including the SH's Financial Assistance Program. SH's website also has information about the availability of financial assistance. SH offers financial assistance customer service Monday through Friday, as well as the

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**Part VI - Patient Education of Eligibility for Assistance (continued)**

availability of voice mail so patients can leave confidential, detailed messages during non-business hours. Finally all of SH's billing statements include information regarding the availability of financial assistance. If SH requires the use of a collection agency, those agencies are required to provide a telephone number that patients can call to request financial assistance.

In 2010, Legacy Health established the Health Literacy initiative. Nearly all Legacy employees are touch points to patients and families and health literacy is involved in every touch point.

What is health literacy? The Institute of Medicine defines health literacy as the capacity to obtain, understand, and process basic health information and services needed to make appropriate health decisions. In short, health literacy is the ability to understand and act on health information.

Nearly half of the U.S. adult population has a low level of health literacy. Patients with low health literacy are less likely to comply with treatment, less likely to seek preventive care and twice as likely to be hospitalized. Quality, safety and cost are all affected by a patient's inability to understand medical

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**Part VI - Patient Education of Eligibility for Assistance (continued)**

instructions and to explain their symptoms/issues.

Legacy's employees are learning and practicing new way of communicating with patients using health literacy tools such as universal precautions, plain language and teach back methods.

Annual education is provided to all billing and admitting staff so they can be kept informed of and speak with knowledge about current financial assistance policies and options. SH provides copies of the latest policies in main admitting areas, as well as through newsletters and other publications.

**Part VI - Community Information**

Silverton Health (SH) serves Marion County which is located in the Willamette Valley and is the fifth most populous county in Oregon. The population of Marion County was estimated to be about 326,000. It also serves Clackamas county due to the inclusion of the city of Molalla under it's service area. LSMC defines its primary service area by the following zip codes: 97381, 97362, 97071, 97038, 97375, 97026, 97032, 97301, 97302, 97303, 97305, 97373 and 97317. This includes the cities of Silverton, Mt. Angel, Woodburn, Gervais, Hubbard, Scotts Mills, St. Benedict, Molalla, Keizer and parts of Salem. These cities make up the top 85% of the total business. The

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**Part VI - Community Information (continued)**

community has a very diverse population in age and race/ethnicity. It is also primarily an agricultural community and sees a seasonal influx of migrant farmworkers. The youth population (under age 18) represents more than 26 percent of the population and age 55 and older represents almost 25 percent of the population. Both segments continue to grow. The Latino population also continues to grow and is the majority population in two of the communities (Woodburn and Gervais). Young Latinos represent the fastest growing segment of the primary service area population.

Marion county residents have a lower median household income than Oregon residents and U.S. residents in general. A larger percent of Marion County residents (especially residents under 18) live below the federal poverty level than Oregon residents and U.S. residents in general. Graduation rates are poor and fewer residents attend college. Marion County has a lower median household income (\$47,360) than both Oregon (\$50,521) and the United States.

Clackamas County's median household income (mhi) average 2008-2012 was \$63,951 with 9.7 percent of the families living below poverty. This compared to Washington County's mhi average at \$64,375 with 10.9 percent below poverty. Enormous disparities exist disaggregating by race and ethnicity.

Based on the data and recommendations from the Marion Polk Community Health



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**Part VI - Community Information (continued)**

Assessment Steering Committee, Silverton Health leaders have chosen to support and align community benefits with the four priority areas identified during the community needs assessment process. These priorities included Timeliness of Prenatal Care, Obesity Prevention, Depression Screening, and Tobacco Cessation.

**Part VI - Explanation Of How Organization Furthers Its Exempt Purpose**

The Legacy Health Board is comprised of community and business leaders as well as representatives of the medical staff. The Legacy Silverton medical staff is open, with physicians submitting credentialing information reviewed according to Legacy Silverton policies and standards.

Silverton Health/Legacy Health collaborates with other health care providers, community-based organizations, business and the public on projects to improve the health of the community. Non-cash donations of resources include clinical and non-clinical services and items, e.g., screenings and support services, internships, information and referral services and health fairs. Legacy's warehouse, located in NW Portland, is open to nonprofit organizations to obtain surplus equipment and furniture. In addition, conference room space is made available at no charge to local nonprofits for Board and community meetings.

Clinical staff is involved with local communities through many child safety programs. In 1986, nurses in the sister Legacy Emanuel Medical Center's Level I

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

**Part VI - Explanation Of How Organization Furthers Its Exempt Purpose (continued)**

Trauma Center developed the Trauma Nurses Talk Tough (TNNT) program. The American Hospital Association awarded the TNNT program its NOVA Award. In addition, Legacy staff members conduct free checks to show parents how to properly install car seats. Last year, Legacy staff fit and sold more than 8,000 bicycle helmets to children at a nominal or no fee based on need. Legacy staff members also provide new parents with training to reduce the incidences of shaken baby syndrome and a Safety Store sells child protection devices for the home at nominal charge.

**Part VI - Affiliated Health Care System Roles and Promotion**

Silverton Health is a subsidiary of Legacy Health (Legacy). Legacy is an integrated health system based in Portland, Oregon, and primarily operates six acute care hospitals and related services (e.g., physician practices, hospice, preferred provider network) in the four county metro area of Portland and SW Washington. In 1998, the Legacy Health Board approved a \$10 million Community Health Fund from operating revenue to address major community health issues. About \$500,000 annually has been granted to community-based projects addressing racial and ethnic inequities and root causes. These dollars are in addition to the system's generous charitable contributions. The Community Health Fund has provided 50 grants since 1998 totaling over \$8 million; about 60 percent of these grants served communities of color.

In 2010, Legacy Health established the Health Literacy initiative. Communication

**Part VI Supplemental Information**

Provide the following information.

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

**Part VI - Affiliated Health Care System Roles and Promotion (continued)**

with patients such that patients both understand AND can act on the information required of and provided to them is critical to their health outcomes. Patients must use information to navigate the health system (complete insurance and government forms, sign consents, schedule appointments), manage diseases and acquire preventive screenings. Providers (defined as all staff interacting with or developing materials used by patients) are responsible for ensuring that patients can act on the information provided. Between 2012 and 2017, funded by the Community Health Fund, Legacy Health hosted an annual Oregon and SW Washington Health Literacy Conference—500 people from 80 organizations attending each. Legacy Health is the recognized leader in moving health literacy forward both in the health delivery system and broader community. Attendance at the 2017 conference surpassed 700. In 1999, recognizing that education, employment and income inequities exist for communities of diversity, and that health professions are lacking in diversity, Legacy established the Youth Employment in Summer (YES) program. In any given year, seven to 15 African American, Hispanic and Native American youth receive paid summer employment in departments where they work with health professionals; each student is paid \$13 an hour and may work up to 400 hours during the summer. YES students also receive college scholarships, between \$3,000 and \$6,000 annually. Students remain in the program as long as they remain in school and pursued health careers. Some

**Part VI Supplemental Information**

Provide the following information.

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

**Part VI - Affiliated Health Care System Roles and Promotion (continued)**

students remain in the program as long as seven graduating with imaging tech degrees, bachelor degrees in nursing, etc. The vast majority of the students are the first in their families to go to college. To date, there have been more than 125 YES students.

In addition to the Community Health Fund, Legacy provided cash donations to local health and human service, education, economic development and civic organizations. Donations focus on organizations with year-round relationships through programs and board representation-specifically focused organizations addressing disparities.

**Part VI - States Where Community Benefit Report Filed**

OR

**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](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016****Open to Public  
Inspection**

Name of the organization

**SILVERTON HEALTH**

Employer identification number

**93-0281321****Part I Questions Regarding Compensation****1 a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?**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.

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:**a** Receive a severance payment or change-of-control payment?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. **Part III****Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.****5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:**a** The organization?**b** Any related organization?If 'Yes' on line 5a or 5b, describe in Part III. **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?**b** Any related organization?If 'Yes' on line 6a or 6b, describe in Part III. **Part III****7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If 'Yes,' describe in Part III**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If 'Yes,' describe in Part III **Part III****9** If 'Yes' on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

**1 b****2****4 a****4 b****4 c****5 a****5 b****6 a****6 b****7****8****9****BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.****Schedule J (Form 990) 2016**

**Part III 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				
GEORGE J. BROWN, MD	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
1 BOARD DIRECTOR	(i) 1,060,375.	(ii) 402,174.	(iii) 139,337.	554,496.	54,832.	2,211,214.	116,315.
SARAH K. FRONZA	(i) 240,779.	(ii) 30,000.	(iii) 0.	18,000.	5,865.	294,644.	0.
2 President	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
DANIEL L. JESSUP	(i) 167,930.	(ii) 0.	(iii) 0.	0.	10,428.	178,358.	0.
3 CFO	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
KAREN M. BRADY	(i) 146,132.	(ii) 0.	(iii) 0.	24,000.	0.	170,132.	0.
4 CIO	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
LINDA DAMIANO	(i) 143,475.	(ii) 0.	(iii) 0.	21,518.	4,676.	169,669.	0.
5 COO CLINICS	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
JAMES JENSEN	(i) 415,281.	(ii) 0.	(iii) 0.	35,881.	8,104.	459,266.	0.
6 MEDICAL DIRECTOR	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
DAVID A. THORSETT	(i) 664,441.	(ii) 0.	(iii) 0.	40,500.	8,367.	713,308.	0.
7 PHYSICIAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
BRIAN L. PUSKAS	(i) 561,362.	(ii) 0.	(iii) 0.	18,000.	5,143.	584,505.	0.
8 PHYSICIAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
HARRIS J. WATERS	(i) 535,108.	(ii) 0.	(iii) 0.	20,308.	7,413.	562,829.	0.
9 PHYSICIAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
PAUL A. BREWER	(i) 552,989.	(ii) 0.	(iii) 0.	0.	6,367.	559,356.	0.
10 PHYSICIAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
THOMAS NEWTON	(i) 439,490.	(ii) 0.	(iii) 0.	24,000.	745.	464,235.	0.
11 PHYSICIAN	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
12	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
13	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
14	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
15	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.
16	(i) 0.	(ii) 0.	(iii) 0.	0.	0.	0.	0.

**Part III** Supplemental Information

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

**Part I, Line 4 - Received Severance, Supplemental NQ Retirement, Equity-Based Compensation**

Question 4(b) - The following individuals participate in, or receive payment from, a supplemental nonqualified retirement plan:

George J. Brown, MD \$ 116,315

Sarah K. Fronza \$ 0

**Part I, Line 5 - Compensation Contingent On Revenues Or Related Organization**

Physicians employed by Legacy affiliates are paid a bonus contingent upon their revenue generated during the year measured by industry standard relative value units (RVU).

**Part I, Line 6 - Compensation Contingent On Net Earnings Or Related Organization**

Legacy has an at-risk incentive compensation plan for management. The plan is based on meeting goals related to employee engagement, work processes, customer service, clinical quality, financial management, and certain key strategic tactics. In order to payout any at-risk incentive compensation, Legacy must exceed operating margin targets.

**Part I, Line 8 - Amounts Reported Pursuant to a Contract Subject to Initial Contract**

Legacy enters into initial employment agreements with executives that qualify under

the initial contract exception. The Compensation Committee of the Board of

**Part III Supplemental Information**

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

**Part I, Line 8 - Amounts Reported Pursuant to a Contract Subject to Initial Contract (continued)**

Directors, none of whom is a Legacy employee, reviews the compensation for key executive positions. The Committee relies on comparable market data and all decisions are documented.

**Part III - Additional Information**

Sch J, Part 1, Question 3 Regarding Compensation Practices

Directors for Legacy receive expense reimbursements related to their duties. Any expense reimbursements to board members are reviewed by the Director of Tax for determining 1099 tax reporting. In addition to the Board of Directors compensation, during 2016, Dr. Fullman received compensation for medical services provided to Legacy Meridian Park Hospital. There was no other reportable compensation received by any board member during 2016.

Executive compensation for Legacy is designed to recruit, retain and motivate qualified senior management personnel. The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of Legacy and its affiliates.



**Part III** Supplemental Information

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

**Part III - Additional Information (continued)**

Base pay and total compensation (including incentive compensation) for similar positions is established at a level comparable to market compensation for healthcare organizations. External consultants are regularly used to review published compensation surveys of comparable organizations and comparable benchmark positions in the market. The Compensation Committee of the Board of Directors, none of whom is a Legacy employee, reviews the compensation for executive positions.

The Committee oversees the system's governance procedures with respect to intermediate sanctions legislation and the evaluation of reasonableness of compensation. The Committee reports to the Board in sufficient detail to enable the entire Board to take such actions as are required to obtain the rebuttable presumption of reasonableness. The Compensation Committee also reviews tax-reporting disclosures.

Sch J, Part II, Column Breakdown Of W-2 Or Misc-1099:

Column B(i) - Base compensation consists of regular base pay including employee elected deferrals for retirement plans (403(b) and 457(b) plans).

**Part III Supplemental Information**

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

**Part III - Additional Information (continued)**

Column B(11) - The incentive compensation program for Legacy is based on predetermined criteria and reviewed and approved by the Board. Bonuses are paid to key employees for interim duties outside their primary responsibilities (e.g. Acting in Capacity).

Column B(11i) - Other compensation consists of deferred compensation amounts paid to executives during the current year and were reported on prior form 990 returns. These amounts include arrangements that contain elements of a substantial risk of forfeiture conditioned on continued employment, vesting and/or a noncompete provision upon termination of employment. Distributions from 457(b) plans, reported to the employee on a 1099-R, are also included as other compensation. In addition, imputed income for insurance, cell phone and other benefits is included in other compensation as well as any severance related payments.

Column C - Deferred compensation includes the value of defined benefit plans, contributions to defined contribution plans, amounts deferred under the 457(f) plan including earnings, earnings in the 457(b) plan, and the value of the pension

**Part III** Supplemental Information

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

**Part III - Additional Information (continued)**

restoration plan. Earnings on the 457(f) and 457(b) include gains and losses on the underlying investments.

The defined contribution plan is available to all employees as they become qualified to participate. The pension restoration plan provides executive pension benefits in excess of IRS mandated limits on eligible compensation to key executives. The benefits are unfunded and subject to forfeiture. Executive pension benefits are intended to make the executive's retirement benefit, as a proportion of their final average salary, comparable to all other employees, and are treated as income when paid.

Column D - Nontaxable benefits include company paid health and welfare and long term care and disability benefits under group plans.

Column F - Current year compensation reported as deferred in prior years.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Transactions With Interested Persons**

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

OMB No 1545-0047

**2016****Open To Public  
Inspection**Name of the organization **SILVERTON HEALTH**  
**DBA LEGACY SILVERTON HEALTH**Employer identification number  
**93-0281321****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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

**Part II Loans to and/or From Interested Persons.**

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2016

**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) ROBERT ENGLE	BOARD MEMBER	1,129,423.	LEASE PAYMENTS		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

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

**Supplemental Information**

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: ROBERT ENGLE

(D) DESCRIPTION OF TRANSACTION: ROBERT ENGLE IS AN OWNER OF THREE PARTNERSHIPS THAT EACH LEASE PROPERTY TO THE HOSPITAL. THE TRANSACTION AMOUNT IS TOTAL LEASE PAYMENTS PAID TO THE PARTNERSHIPS DURING THE 2016 CALENDAR YEAR.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service

Name of the organization

**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](http://www.irs.gov/form990).

OMB No 1545-0047

**2016****Open to Public  
Inspection**SILVERTON HEALTH  
DBA LEGACY SILVERTON HEALTH

Employer identification number

93-0281321

**Form 990, Part IV, question 12**

Legacy has an audit of its consolidated financial statement which includes consolidating schedules highlighting SH's financial results.

**Form 990 Schedule J**

Schedule J Reporting of Officers and Senior Management on Legacy Affiliate Returns.

The Legacy Officers, Senior Vice Presidents and other key employees may have responsibilities for the operations of the entire health system, including the affiliated entities. Their compensation is paid from and reported on the Legacy return (EIN 23-7426300). The compensation is reported again for informational purposes on related affiliated entity returns including, Legacy Emanuel Hospital & Health Center, Legacy Good Samaritan Hospital and Medical Center, Legacy Meridian Park Hospital, Legacy Mount Hood Medical Center, Legacy Salmon Creek Hospital, Silverton Health, Legacy Visiting Nurse Association, and Legacy Adventist Venture.

**Form 990, Part III, Line 1 - Organization Mission**

Through Silverton Health we come together to improve the health of our communities. Recognizing our responsibility for careful use of resources, it is our mission to encourage wellness and deliver quality health care, to organize ourselves as a collaborative team fostering integrity, accountability and innovation, and to create an environment that promotes compassion and recognizes the dignity of all, with sensitivity to the values and cultures of those who entrust us with their care.

**Form 990, Part III, Line 4a - Program Service Accomplishments**

SH provides inpatient and outpatient care and education services to the communities it serves. In support of its mission, SH voluntarily provides medically necessary patient care services that are discounted or free of charge to persons who have insufficient resources and/or who are uninsured. During fiscal year 2017, SH incurred

Name of the organization SILVERTON HEALTH  
DBA LEGACY SILVERTON HEALTH

Employer identification number  
93-0281321

### Form 990, Part III, Line 4a - Program Service Accomplishments

uncompensated costs of roughly \$791,000 associated with its financial assistance program. In addition to charity care, SH provides services under various states' Medicaid programs for financially needy patients and Medicare beneficiaries for which the cost of treating these patients exceeds the government payments received. During fiscal year 2017, SH incurred approximately \$6,662,735, \$2,980,536 in uncompensated costs attributable to Medicaid and Medicare respectively. SH also provides a variety of other community benefit activities such as medical education, donations to other charitable entities, research, and other health improvement services which totaled roughly \$578,382 during fiscal year 2017.

SH is part of Legacy, which collectively provided over \$46 million, \$199 million, \$113 million, and \$2 million in uncompensated care attributable to its financial assistance, Medicaid, Medicare, and other government programs, respectively, in fiscal year 2017. In addition, Legacy provided over \$23 million in other community benefit activities during fiscal year 2017.

### Form 990, Part VI, Line 3 - Description of Delegated Duties to Management Company

Legacy Health (Legacy) provides management services for all of its affiliated companies which includes, accounting, purchasing, contracting, legal, human resources, information technology, billing, facilities, budgeting, transcription, security, public relations, strategic planning, organization development.

### Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder

Legacy Health is the sole member of Silverton Health.

### Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body

The affairs of Silverton Health are managed by the Board of Directors that includes the following:

1. President of Silverton Health Medical Staff who serves Ex-Officio

Name of the organization	SILVERTON HEALTH DBA LEGACY SILVERTON HEALTH	Employer identification number	93-0281321
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**Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body (continued)**

2. Elected Directors, and

3. One Legacy Director who is a voting member of the Legacy Health Board of Directors and appointed by Legacy Health

**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders**

The Elected Directors are nominated by Silverton Health for election by Legacy Health.

Legacy Health can elect an Elected Director to the Board of Directors only if the Silverton Health Board has nominated that Director.

**Form 990, Part VI, Line 11b - Form 990 Review Process**

The Legacy Board received a copy of the 990 return prior to filing. At the direction of the entire Board, the Board Compensation Committee reviewed the compensation disclosures and the Board Audit Committee received a memorandum with draft 990 returns for Legacy and Legacy Emanuel Hospital & Health Center highlighting key areas and requesting feedback. Questions from the Board Audit Committee are answered and changes made where appropriate. Any significant differences in disclosure from the draft 990 to the final 990 return for other affiliated entities, including Silverton Health are provided to the Board Audit Committee. Depending on the deadline for the 990 return filing and the Board Audit Committee meeting this discussion may take place following the filing of the return.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

The following is a summary of Legacy's policy and procedures for conflict of interest disclosure, monitoring and resolution.

All Legacy employees and non-employees in leadership positions (e.g., Board members, Foundation Trustees, Medical Directors) are required to disclose potential conflicts of interest as the conflict arises. All employees are required to disclose any



Name of the organization	SILVERTON HEALTH DBA LEGACY SILVERTON HEALTH	Employer identification number	93-0281321
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**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts (continued)**

conflict of interest per the Standard of Conduct policy. Certain groups have annual formal disclosure requirements, Executives and non-employees in leadership positions complete the Conflict Disclosure Statement from the Standards of Conduct policy annually. Officers, Directors, Trustees, Key and Highly Compensated employees are also required to complete a questionnaire covering business relationships, business transactions with interested parties, loans and grants.

Conflict Disclosure Statements and questionnaires are returned to Legacy Corporate Compliance or Tax Departments for review of the disclosure. If a conflict is disclosed, or identified through any other means, Legacy Corporate Compliance ensures that management mitigates the risk (e.g., discontinues relationship with vendor, segregates responsibilities, recuses Board member from voting in area of conflict) and that the conflict and mitigation steps are reported to the appropriate level (e.g., Compliance Committee, Audit Committee of the Board).

**Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees**

The following describes the compensation practices of Legacy and its affiliates.

Executive compensation for Legacy is designed to recruit, retain and motivate qualified senior management personnel. The comprehensive compensation plan is designed for positions that have a significant impact on the high-level strategic and policy direction of Legacy and its affiliates.

Base pay and total compensation (including incentive compensation) for similar positions is established at a level comparable to market compensation for healthcare organizations. External consultants are regularly used to review published compensation surveys of comparable organizations and comparable benchmark positions

Name of the organization	SILVERTON HEALTH DBA LEGACY SILVERTON HEALTH	Employer identification number	93-0281321
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**Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees (continued)**

in the market.

The Compensation Committee of the Board of Directors, none of whom is a Legacy employee, reviews the compensation for key executive positions. The Committee oversees the system's governance procedures with respect to the evaluation of reasonableness of compensation. The Committee reports to the Board in sufficient detail to enable the entire Board to take such actions as are required to obtain the rebuttable presumption of reasonableness. The Compensation Committee also reviews tax-reporting disclosures.

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

Legacy Health's audited and interim consolidated financial statements are publicly available on the Electronic Municipal Market Access (EMMA) ([www.emma.msrb.org](http://www.emma.msrb.org)) and DAC Bond ([www.dacbond.com](http://www.dacbond.com)) websites. Legacy's audited consolidated financial statements include consolidating schedules which highlights Silverton Health's financial results.

When changes are made to the Silverton Health Articles or Bylaws, Silverton Health discloses and attaches copies to the IRS Form 990, which are publicly available by request or on various public websites such as Guidestar([www.guidestar.org](http://www.guidestar.org)). Other governing documents are not available to the public.

**Form 990, Part XI, Line 9  
Other Changes In Net Assets Or Fund Balances**

CUMULATIVE TAX/BOOK TIMING DIFF	\$ -2,332,150.
Rounding	4.
TRANSFER TO AFFILIATES	5,176,843.
Total	<u>\$ 2,844,697.</u>

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**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](http://www.irs.gov/form990).

OMB No 1545-0047

**2016**

Open to Public  
Inspection

Employer identification number

93-0281321

SILVERTON HEALTH DBA LEGACY SILVERTON HEALTH

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ----- ----- -----					
(2) ----- ----- -----					
(3) ----- ----- -----					

**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) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) SILVERTON HEALTH FOUNDATION 342 FAIRVIEW STREET SILVERTON, OR 97381 93-0913392	CHARITABLE FOUNDATION	OR	501 (C) (3)	LINE 7	N/A		X
(2) LEGACY HEALTH 1919 NW LOVEJOY ST PORTLAND, OR 97209 23-7426300	HEALTHCARE	OR	501 (C) (3)	11b	N/A		X
(3) LEGACY EMANUEL HOSPITAL & HEALTH C 2801 N GANTENBEIN AVE PORTLAND, OR 97227 93-0386823	HOSPITAL	OR	501 (C) (3)	3	N/A		X
(4) LEGACY GOOD SAMARITAN HOSPITAL & M 1015 NW 22ND AVE PORTLAND, OR 97210 93-0386793	HOSPITAL		501 (C) (3)	3	N/A		X

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

TEEA5001L 09/09/16

Schedule R (Form 990) 2016

**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) Dispropor- tionate 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	
(1) _____ _____ _____												
(2) _____ _____ _____												
(3) _____ _____ _____												

**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) Sec 512(b)(13) controlled entity?	
								Yes	No
(1) _____ _____ _____									
(2) _____ _____ _____									
(3) _____ _____ _____									

**Part V Transactions With Related Organizations.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity  
**b** Gift, grant, or capital contribution to related organization(s)  
**c** Gift, grant, or capital contribution from related organization(s)  
**d** Loans or loan guarantees to or for related organization(s)  
**e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)  
**g** Sale of assets to related organization(s)  
**h** Purchase of assets from related organization(s)  
**i** Exchange of assets with related organization(s)  
**j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)  
**l** Performance of services or membership or fundraising solicitations for related organization(s)  
**m** Performance of services or membership or fundraising solicitations by related organization(s)  
**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)  
**o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses  
**q** Reimbursement paid by related organization(s) for expenses

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

**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, unre- lated, 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) Dispropor- tionate 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	
(1) _____ _____ _____													
(2) _____ _____ _____													
(3) _____ _____ _____													
(4) _____ _____ _____													
(5) _____ _____ _____													
(6) _____ _____ _____													
(7) _____ _____ _____													
(8) _____ _____ _____													

**Part VII** Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity?	
						Yes	No
LEGACY MERIDIAN PARK HOSPITAL 19300 SW 65TH AVE TUALATIN, OR 97062 93-0618975	HOSPITAL	OR	501 (C) (3)	3	N/A		X
LEGACY MOUNT HOOD MEDICAL CENTER 24800 SE STARK ST GRESHAM, OR 97030 93-0591528	HOSPITAL	OR	501 (C) (3)	3	N/A		X
LEGACY SALMON CREEK HOSPITAL 2211 NE 139TH ST VANCOUVER, WA 98686 33-1065485	HOSPITAL	WA	501 (C) (3)	3	N/A		X
LEGACY VISITING NURSE ASSOCIATION 815 NE DAVIS ST PORTLAND, OR 97210 93-0848530	HOSPICE	OR	501 (C) (3)	9	N/A		X
EMANUEL MEDICAL CENTER FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-6095667	CHARITABLE FOUNDATION	OR	501 (C) (3)	7	N/A		X
RANDALL CHILDREN'S HOSPITAL FOUNDATI PO BOX 4484 PORTLAND, OR 97208 93-1314469	CHARITABLE FOUNDATION	OR	501 (C) (3)	7	N/A		X
GOOD SAMARITAN FOUNDATION PO BOX 4484 PORTLAND, OR 97208 23-7017276	CHARITABLE FOUNDATION	OR	501 (C) (3)	7	N/A		X
MERIDIAN PARK MEDICAL FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-0773410	CHARITABLE FOUNDATION	OR	501 (C) (3)	7	N/A		X
MT HOOD MEDICAL CENTER FOUNDATION PO BOX 4484 PORTLAND, OR 97208 93-0794951	CHARITABLE FOUNDATION	OR	501 (C) (3)	7	N/A		X



[illegible]