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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at *www IRS gov/form990*

OMB No 1545-0047

2016

Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 07-01-2016 , and ending 06-30-2017

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

C Name of organization
Sacred Heart Health System Inc

Doing business as

Number and street (or P O box if mail is not delivered to street address) 5151 North 9th Avenue | Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Pensacola, FL 325048721

D Employer identification number
59-0634434

E Telephone number
(314) 733-8000

G Gross receipts $ 878,919,779

F Name and address of principal officer
C Susan Cornejo
5151 North 9th Avenue
Pensacola, FL 325048721

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

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

H(c) Group exemption number ▶ 0928

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

J Website: ▶ www sacred-heart org

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

L Year of formation 1915

M State of legal domicile FL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Provides necessary medical care to the sick and poor regardless of the ability to pay

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)	**5**	5,948
6	Total number of volunteers (estimate if necessary)	**6**	482
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,542,792
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	765,594

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,880,839	3,751,506
9	Program service revenue (Part VIII, line 2g)	803,891,782	858,368,184
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,022,052	496,539
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,073,022	14,603,398
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	824,867,695	877,219,627
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	913,980	750,713
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	380,229,271	399,109,820
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	391,246,414	454,341,215
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	772,389,665	854,201,748
19	Revenue less expenses Subtract line 18 from line 12	52,478,030	23,017,879

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,117,745,937	573,659,748
21	Total liabilities (Part X, line 26)	659,242,133	366,463,683
22	Net assets or fund balances Subtract line 21 from line 20	458,503,804	207,196,065

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 2017-10-30

Tonya Mershon Tax Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Samantha Bokori	Samantha Bokori			P01057347

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶ 86-1065772

Firm's address ▶ 111 Monument Circle Suite 4200
Indianapolis, IN 462045108 — Phone no (317) 464-8600

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

Rooted in the loving ministry of Jesus as healer, we commit ourselves to serving all persons with special attention to those who are poor and vulnerable Our Catholic health ministry is dedicated to spiritually centered, holistic care that sustains and improves the health of individuals and communities We are advocates for a compassionate and just society through our actions and our words

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 $ 598,834,305 including grants of $ 750,713) (Revenue $ 860,301,526)

See Additional Data

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 598,834,305

Part IV Checklist of Required Schedules

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

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

			Yes	No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	**20a**	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	**20b**	Yes	
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**	Yes	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

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

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	435		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	**1c**		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a**	5,948		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	**2b**		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	**3a**		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	**3b**		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . .	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	**5a**			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	**5b**			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	**5c**			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	**6a**			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	**6b**			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	**7a**			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	**7b**			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	**7c**			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	**7e**			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	**7f**			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	**7g**			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	**7h**			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	**8**			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	**9a**			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	**9b**			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	**12a**			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	**13a**			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	**14a**			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	**14b**			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

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

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

Section C. Disclosure

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

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

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶C Susan Cornejo 5151 N 9th Ave Pensacola, FL 32504 (850) 416-7000

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								14,530,863	2,850,072	819,283

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 ▶ 410

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
AMS SACRED HEART LLC 4901 GRANDE DRIVE PENSACOLA, FL 32504	ANESTHESIA SERVICES	4,613,799
SPECIALTYCARE CARDIOVASCULAR RESOURCES PO BOX 11407 BIRMINGHAM, AL 35246	CARDIOVASCULAR SERVICES	3,390,375
MCKESSON SPECIALTY CARE DISTRIBUTION JV 15121 COLLECTION CENTER DRIVE CHICAGO, IL 60693	MEDICAL SERVICES	2,958,866
THE NEMOURS FOUNDATION 10140 CENTURION PKWY N JACKSONVILLE, FL 32256	PEDIATRIC SERVICES	2,269,745
PENSACOLA LUNG GROUP MDS PA 4700 BAYOU BLVD SUITE 6 PENSACOLA, FL 325031901	MEDICAL SERVICES	2,019,823

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 ▶ 54

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	**1a** Federated campaigns . .	1a			
	b Membership dues . .	1b			
	c Fundraising events . .	1c			
	d Related organizations	1d	600,870		
	e Government grants (contributions)	1e	3,012,636		
	f All other contributions, gifts, grants, and similar amounts not included above	1f	138,000		
	g Noncash contributions included in lines 1a-1f $ _____				
	h Total. Add lines 1a-1f . . . . . ▶		3,751,506		
Program Service Revenue		Business Code			
	2a Net Patient Revenue	621990	842,878,659	841,055,401	1,823,258
	b Management Services for Affiliates	541610	9,717,869	9,717,869	
	c Rental Income from Affiliates	531120	581,081	581,081	
	d Education Revenue	611710	56,989	56,989	
	e 340B Pharmacy Revenue	446110	5,133,586	5,133,586	
	f All other program service revenue		0	0	0
	g Total. Add lines 2a–2f . . . . ▶		858,368,184		
	3 Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		391,532		391,532
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties . . . . . ▶				
		(i) Real	(ii) Personal		
	6a Gross rents	2,688,643			
	b Less rental expenses	1,661,459			
	c Rental income or (loss)	1,027,184	0		
	d Net rental income or (loss) . . . . . ▶		1,027,184		1,027,184
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory		143,700		
	b Less cost or other basis and sales expenses		38,693		
	c Gain or (loss)	0	105,007		
	d Net gain or (loss) . . . . . ▶		105,007		105,007
Other Revenue	**8a** Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . a				
	b Less direct expenses . . . b				
	c Net income or (loss) from fundraising events . . ▶				
	9a Gross income from gaming activities See Part IV, line 19 . . . a				
	b Less direct expenses . . . b				
	c Net income or (loss) from gaming activities . . ▶				
	10a Gross sales of inventory, less returns and allowances . . a				
	b Less cost of goods sold . . b				
	c Net income or (loss) from sales of inventory . . ▶				
	Miscellaneous Revenue	Business Code			
	11a Cafeteria Revenue	621990	3,047,567		3,047,567
	b ACO REVENUE	621990	3,029,119	3,029,119	
	c STATE PROGRAM REVENUE	621990	727,481	727,481	
	d All other revenue		6,772,047	0	719,534	6,052,513
	e Total. Add lines 11a–11d . . . . . ▶		13,576,214		
	12 Total revenue. See Instructions . . . . . ▶		877,219,627	860,301,526	2,542,792	10,623,803

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraisingexpenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	750,713	750,713		
2 Grants and other assistance to domestic individuals See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	9,158,167		9,158,167	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	325,213,389	289,791,436	35,421,953	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	8,351,138	7,381,821	969,317	
9 Other employee benefits	35,810,552	31,254,255	4,556,297	
10 Payroll taxes	20,576,574	17,852,892	2,723,682	
11 Fees for services (non-employees)				
a Management	453,195	63,216	389,979	
b Legal	-16,629		-16,629	
c Accounting	-176,549		-176,549	
d Lobbying	114,066		114,066	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	236,813	18,000	218,813	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	28,335,486	6,375,091	21,960,395	0
12 Advertising and promotion	665,394	128,472	536,922	
13 Office expenses	6,455,359	1,873,120	4,582,239	
14 Information technology	664,346	222,306	442,040	
15 Royalties . .				
16 Occupancy	18,382,850	11,756,700	6,626,150	
17 Travel	2,027,304	1,174,870	852,434	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .				
19 Conferences, conventions, and meetings	1,356,998	701,336	655,662	
20 Interest	4,938,376	1,133,991	3,804,385	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization . .	29,385,363	20,898,072	8,487,291	
23 Insurance . . .	7,961,106	2,141,535	5,819,571	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	164,455,527	164,455,527		
b PURCHASED SERVICES	133,745,758	17,011,592	116,734,166	
c SYSTEM OFFICE ALLOCATIONS	15,465,208		15,465,208	
d Income Taxes	348,307	135,505	212,802	
e All other expenses	39,542,937	23,713,855	15,829,082	0
25 **Total functional expenses.** Add lines 1 through 24e	854,201,748	598,834,305	255,367,443	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing	23,420	1	23,420
	2	Savings and temporary cash investments	4,089,845	2	3,209,245
	3	Pledges and grants receivable, net	0	3	492,040
	4	Accounts receivable, net	140,103,779	4	118,746,033
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	
	7	Notes and loans receivable, net	0	7	262,754
	8	Inventories for sale or use	18,960,809	8	17,328,450
	9	Prepaid expenses and deferred charges	3,658,544	9	2,346,209
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 746,026,570			
	b	Less accumulated depreciation — 10b: 438,748,501	300,801,721	10c	307,278,069
	11	Investments—publicly traded securities		11	
	12	Investments—other securities See Part IV, line 11	0	12	
	13	Investments—program-related See Part IV, line 11	0	13	
	14	Intangible assets	17,248,129	14	30,235,914
	15	Other assets See Part IV, line 11	632,859,690	15	93,737,614
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,117,745,937	16	573,659,748
Liabilities	17	Accounts payable and accrued expenses	51,077,753	17	58,861,916
	18	Grants payable		18	
	19	Deferred revenue	3,415,479	19	1,213,892
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	604,748,901	25	306,387,875
	26	**Total liabilities.** Add lines 17 through 25	659,242,133	26	366,463,683
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	444,315,216	27	207,196,065
	28	Temporarily restricted net assets	14,151,946	28	
	29	Permanently restricted net assets	36,642	29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	458,503,804	33	207,196,065
	34	Total liabilities and net assets/fund balances	1,117,745,937	34	573,659,748

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	877,219,627
2	Total expenses (must equal Part IX, column (A), line 25)	2	854,201,748
3	Revenue less expenses Subtract line 2 from line 1	3	23,017,879
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	458,503,804
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-274,325,618
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	207,196,065

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Form 990 (2016)

Form 990, Part III, Line 4a:

SACRED HEART HEALTH SYSTEM PROVIDES PRIMARY, SECONDARY, AND TERTIARY HEALTH CARE SERVICES TO RESIDENTS OF THE COMMUNITIES IT SERVES THERE IS SPECIAL EMPHASIS ON SERVICE TO THE POOR AND THOSE MOST IN NEED THE SYSTEM INCLUDES THE FLAGSHIP 566 BED MEDICAL, SURGICAL ACUTE CARE HOSPITAL IN PENSACOLA, FLORIDA HOUSED WITHIN THE PENSACOLA FACILITY IS THE 118 BED CHILDREN'S HOSPITAL, THE ONLY ONE IN NORTHWEST FLORIDA SACRED HEART HOSPITAL ON THE EMERALD COAST IS A 58 BED MEDICAL SURGICAL HOSPITAL LOCATED IN MIRAMAR BEACH, FL SACRED HEART HOSPITAL OF THE GULF IS A 19 BED MEDICAL SURGICAL HOSPITAL LOCATED IN PORT ST JOE, FL SACRED HEART HEALTH SYSTEM TOGETHER WITH LHP HOSPITAL GROUP, INC OPERATES 323-BED BAY COUNTY HEALTH SYSTEM, LLC DBA BAY MEDICAL SACRED HEART LOCATED IN PANAMA CITY, FL SACRED HEART HEALTH SYSTEM EXPANDS AWARENESS, EDUCATION AND PROMOTION OF HEALTH BY OFFERING HEALTHCARE, CLASSES AND SEMINARS FOR THE COMMUNITY

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SUSAN L DAVIS RN DIRECTOR, PRESIDENT/CEO	40 0 5 0	X		X				2,410,776	0	37,018
QUINT STUDER CHAIRMAN	1 0 0	X		X				0	0	0
DAVID SANSING VICE-CHAIRMAN	1 0 0	X		X				0	0	0
RICHARD R BAKER SECRETARY/TREASURER	1 0 0	X		X				0	0	0
DEBBIE CALDER DIRECTOR	1 0 0	X						0	0	0
SISTER MARY JEAN DOYLE DIRECTOR	1 0 0	X						0	0	0
SISTER NORA GATTO DC DIRECTOR	1 0 0	X						0	0	0
ALAN NICKELSEN DIRECTOR	1 0 0	X						0	0	0
SPIDER NYLAND DIRECTOR	1 0 0	X						0	0	0
SISTER LOIS O'MALLEY CSJ DIRECTOR	1 0 1 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANTONIO TERRY DIRECTOR	1 0 0	X						0	0	0
C SUSAN CORNEJO CHIEF FINANCIAL OFFICER - SHHS	30 0 ..... 10 0			X				0	707,859	33,408
KERRY EATON CHIEF OPERATING OFFICER	40 0 ..... 2 0			X				903,817	0	36,618
KAREN EMMANUEL GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER	40 0 ..... 1 0			X				0	502,137	26,868
ROGER HALL PRESIDENT - SHHEC & SHHG	40 0 0			X				688,412	0	34,619
JOHN HALSTEAD CHIEF MISSION INTERGRATION OFFICER	40 0 0			X				232,709	0	15,843
PETER JENNINGS CHIEF MEDICAL OFFICER (START 7/2016)	40 0 0			X				144,679	0	0
JULES KARIHER CHIEF ADVOCACY OFFICER (START 1/2017)	40 0 0			X				0	0	0
STEPHEN MAYFIELD CHIEF QUALITY OFFICER (START 6/2017)	40 0 0			X				0	0	0
GARY PABLO MD CMO, SHHEC & SHHG	40 0 0			X				500,875	0	42,937

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROGER A POITRAS CHIEF STRATEGY OFFICER	40 0 0			X				591,823	0	38,180
DAVID G POWELL CHIEF RESOURCE OFFICER	40 0 ..... 0 0			X				0	359,535	33,728
JOE H STOVALL III PRESIDENT - SHHP	40 0 0			X				745,248	0	34,823
MORRIS SIMHACHALAM MD CMO	40 0 0			X				480,901	0	48,327
MICHELLE ADAMOLEKUN VP HR-MINISTRY MKT GULF COAST-JAX-BIR	11 0 ..... 44 0				X			0	418,829	20,226
NINA JEFFORDS CNO - GULF COAST HEALTH SYSTEM	40 0 0				X			282,374	0	24,143
BOB MURPHY PRESIDENT-GULF COAST MEDICAL GROUP (START 8/2016)	40 0 ..... 2 0				X			161,732	0	10,537
DOUGLAS A ROSS SVP CLINICAL INTEGRATION	40 0 0				X			1,026,706	0	40,651
TERESA D SMITH COO	40 0 0				X			251,374	0	21,421
AMY D WILSON CNO (END 1/2017)	20 0 ..... 20 0				X			319,611	0	32,013

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SAMUEL D CRITIDES MD PHYSICIAN	40 0 0					X		980,578	0	54,252
LINCOLN JIMENEZ MD PHYSICIAN	40 0 0					X		1,041,923	0	46,249
KURT L MORRISON DO PHYSICIAN	40 0 0					X		1,009,087	0	46,623
PAUL A TAMBURRO MD PHYSICIAN	40 0 0					X		967,260	0	50,131
CHARLES L WOLFF MD PHYSICIAN	40 0 0					X		1,339,581	0	37,725
MARIUS PETRUC MD FORMER KEY EMPLOYEE (END 5/2015)	0 0 0						X	111,872	0	3,119
CAROL C WHITTINGTON FORMER OFFICER (END 6/2015)	0 0 ..... 40 0						X	0	861,712	40,684
DENISE BARTON FORMER KEY EMPLOYEE (END 12/2015)	0 0 ..... 0 0						X	339,525	0	9,140

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

The organization is not a private foundation because it is (For lines 1 through 12, check only one box)

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

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

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

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

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

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

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

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

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

_____

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

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

12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g

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

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

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

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

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

f Enter the number of supported organizations _____

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
Total						

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) **14**

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

16a **33 1/3% support test—2016.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test—2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support.** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning) ▶	(a)2012	(b)2013	(c)2014	(d)2015	(e)2016	(f)Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2015 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I If you checked 12a of Part I, complete Sections A and B If you checked 12b of Part I, complete Sections A and C If you checked 12c of Part I, complete Sections A, D, and E If you checked 12d of Part I, complete Sections A and D, and complete Part V)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated If designated by class or purpose, describe the designation If historic and continuing relationship, explain*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509 (a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2)*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in* ***Part VI*** *how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable) Also, provide detail in* ***Part VI,*** *including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document)*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ)*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ)*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer line 10b below*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings)*	10b		

Part IV Supporting Organizations (continued)

			Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in Part VI*	11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

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

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

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

Section A - Adjusted Net Income

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

Section B - Minimum Asset Amount

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

Section C - Distributable Amount

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

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

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

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

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

Part VI **Supplemental Information.**

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

Facts And Circumstances Test

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135145378

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2016

Open to Public Inspection

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

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

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

Name of the organization	Employer identification number
Sacred Heart Health System Inc	59-0634434

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		26,385
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		87,681
j	Total Add lines 1c through 1i			114,066
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	SACRED HEART HEALTH SYSTEM, INC ENGAGED CONSULTANTS TO ASSIST IN VARIOUS LOBBYING ACTIVITIES PERTAINING TO STATE AND FEDERAL HEALTH CARE LEGISLATION, INCLUDING HEALTH CARE REFORM STAFF AND CONSULTANTS WROTE LETTERS AND MET PERSONALLY WITH STATE AND LOCAL LEGISLATORS ON THESE MATTERS LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING SACRED HEART HEALTH SYSTEM, INC DOES NOT PARTICIPATE IN OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTING OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF (OR IN OPPOSITION TO) ANY CANDIDATE FOR PUBLIC OFFICE
Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	SACRED HEART HEALTH SYSTEM, INC ENGAGED CONSULTANTS TO ASSIST IN VARIOUS LOBBYING ACTIVITIES PERTAINING TO STATE AND FEDERAL HEALTH CARE LEGISLATION, INCLUDING HEALTH CARE REFORM STAFF AND CONSULTANTS WROTE LETTERS AND MET PERSONALLY WITH STATE AND LOCAL LEGISLATORS ON THESE MATTERS LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING SACRED HEART HEALTH SYSTEM, INC DOES NOT PARTICIPATE IN OR INTERVENE IN (INCLUDING THE PUBLISHING OR DISTRIBUTING OF STATEMENTS) ANY POLITICAL CAMPAIGN ON BEHALF OF (OR IN OPPOSITION TO) ANY CANDIDATE FOR PUBLIC OFFICE

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part IV Escrow and Custodial Arrangements.

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

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

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

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

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

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

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

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	36,642	36,642	36,642	36,149	36,833
b Contributions		0		0	0
c Net investment earnings, gains, and losses		0	0	493	-684
d Grants or scholarships		0		0	0
e Other expenditures for facilities and programs		0		0	0
f Administrative expenses		0		0	0
g End of year balance	36,642	36,642	36,642	36,642	36,149

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 100 %
- c Temporarily restricted endowment ▶ 0 %

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

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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c)Accumulated depreciation	(d)Book value
1a Land	4,700,423	27,268,031		31,968,454
b Buildings	12,155,673	411,648,655	244,521,128	179,283,200
c Leasehold improvements		1,880,023	1,756,351	123,672
d Equipment		211,678,329	174,256,001	37,422,328
e Other		76,695,436	18,215,021	58,480,415
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				307,278,069

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

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

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

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

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

(a) Description	(b) Book value
See Additional Data Table	
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	93,737,614

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
See Additional Data Table	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	306,387,875

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

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

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) Interest in Investments Held by Ascension Health Alliance	
(2) Other Receivables	
(3) Security Deposits	
(4) Notes Receivable Physicians	
(5) Lease Receivable LT	
(6) Invests Property Plant Equipment	
(7) Assets Held for Sale	
(8) Assets from Disc Ops	
(9) Due from Affiliates	47,028,201
(10) Estimated Third Party Payor Settlements	21,603,507
(11) Deferred Compensation	11,854,704
(12) Other Receivables	5,282,537
(13) Physician Receivables	3,613,103
(14) Rent Receivable	2,014,665
(15) Deferred Tax Asset	1,914,675
(16) Security Deposits	426,222
(17) Temporarily restricted investments	

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
Intercompany Debt with Ascension Health Alliance	108,966,144
Deferred Compensation	
Self Insurance Trust	
Other Liabilities	
Third Party Payables	
MOB LIABILITY ACCOUNTING OWNERSHIP	
AR CREDIT BALANCES	
Current Portion LTD CDMS	
AH Savings Plan Liability	
Accrued Sales Use Tax	

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
Lease Liability LT	
Asset Retirement Obligations Liability	
Long Term At Risk Compensation	
Valuation Allowance	
Accrued State Healthcare Tax	
Due to Affiliates	123,490,861
Pension & Other Post Retirement Liability	27,487,768
Other Noncurrent Liabilities	15,030,978
Deferred Compensation	11,854,704
Estimated Third Party Payor Settlements	5,714,243

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
Recovery Tail Liability	4,505,207
Liability Receivable Sold with Recourse	4,154,020
AH Savings Plan Liability	3,556,053
Intercompany Debt	1,469,052
Other Taxes Payable	158,845

Supplemental Information

Return Reference	Explanation
Schedule D, Part V, Line 4 Intended uses of endowment funds	The endowment fund was established for the benefit of Sacred Heart Health System, Inc wit h the intended purpose of providing resource materials for parents

Supplemental Information

Return Reference	Explanation
Schedule D, Part X, Line 2 FIN 48 (ASC 740) footnote	FROM THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF ASCENSION HEALTH ALLIANCE ("THE SYSTEM") (WHICH INCLUDE THE ACTIVITY OF SACRED HEART HEALTH SYSTEM, INC) THE SYSTEM ACCOUNTS FOR UNCERTAINTY IN INCOME TAX POSITIONs BY APPLYING A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN THE SYSTEM HAS DETERMINED THAT NO MATERIAL UNRECOGNIZED TAX BENEFITS OR LIABILITIES EXIST AS OF JUNE 30, 2017

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☐ Applied uniformly to all hospital facilities ☑ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 25000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			36,310,655		36,310,655	4 25 %
b Medicaid (from Worksheet 3, column a)			151,719,306	97,360,979	54,358,327	6 36 %
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	188,029,961	97,360,979	90,668,982	10 61 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			14,124,359	14,051,199	73,160	0 01 %
f Health professions education (from Worksheet 5)			3,304,760		3,304,760	0 39 %
g Subsidized health services (from Worksheet 6)					0	0 %
h Research (from Worksheet 7)			463,222	464,705	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			620,397		620,397	0 07 %
j **Total.** Other Benefits	0	0	18,512,738	14,515,904	3,998,317	0 47 %
k **Total.** Add lines 7d and 7j	0	0	206,542,699	111,876,883	94,667,299	11 08 %

Part II Community Building Activities

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 6,767,596			
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 3 171,419			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	292,785,709
6	Enter Medicare allowable costs of care relating to payments on line 5	6	322,573,587
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-29,787,878
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? **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)	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

A

Name of hospital facility or letter of facility reporting group _____

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

A

Name of hospital facility or letter of facility reporting group

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 250 0 % and FPG family income limit for eligibility for discounted care of 400 0 %			
b	☐ Income level other than FPG (describe in Section C)			
c	☐ Asset level			
d	☐ Medical indigency			
e	☑ Insurance status			
f	☑ Underinsurance discount			
g	☑ Residency			
h	☐ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☐ Other (describe in Section C)			
16	Was widely publicized within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
b	☑ The FAP application form was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
c	☑ A plain language summary of the FAP was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
d	☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	☑ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h	☑ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	☑ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j	☐ Other (describe in Section C)			

Part V Facility Information *(continued)*

Billing and Collections

A

Name of hospital facility or letter of facility reporting group _____

		Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	**17**	Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
f ☑ None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring , denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply)			
a ☑ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
b ☑ Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
c ☑ Processed incomplete and complete FAP applications			
d ☑ Made presumptive eligibility determinations			
e ☐ Other (describe in Section C)			
f ☐ None of these efforts were made			

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

A

Name of hospital facility or letter of facility reporting group

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

Part V Facility Information *(continued)*

Section 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)

B

Name of hospital facility or letter of facility reporting group _____

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

B

Name of hospital facility or letter of facility reporting group

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 250 0 % and FPG family income limit for eligibility for discounted care of 400 0 %			
b	☐ Income level other than FPG (describe in Section C)			
c	☐ Asset level			
d	☐ Medical indigency			
e	☑ Insurance status			
f	☑ Underinsurance discount			
g	☑ Residency			
h	☐ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☐ Other (describe in Section C)			
16	Was widely publicized within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The FAP was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
b	☑ The FAP application form was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
c	☑ A plain language summary of the FAP was widely available on a website (list url) http //sacred-heart org/patient-Billing/?ID=1137			
d	☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	☑ Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention			
h	☑ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	☑ The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations			
j	☐ Other (describe in Section C)			

Part V Facility Information *(continued)*

Billing and Collections

B

Name of hospital facility or letter of facility reporting group _____

		Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	**17**	Yes	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
f ☑ None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**19**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency(ies)			
b ☐ Selling an individual's debt to another party			
c ☐ Deferring , denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d ☐ Actions that require a legal or judicial process			
e ☐ Other similar actions (describe in Section C)			
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply)			
a ☑ Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
b ☑ Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
c ☑ Processed incomplete and complete FAP applications			
d ☑ Made presumptive eligibility determinations			
e ☐ Other (describe in Section C)			
f ☐ None of these efforts were made			

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

B

Name of hospital facility or letter of facility reporting group _____

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

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

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

Form and Line Reference	Explanation
See Add'l Data	

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

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **26**

Name and address	Type of Facility (describe)
1 See Additional Data Table	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 17 Billing and Collection Policy	During tax year 2017, the organization learned via verbal comments of IRS agents at public events that the IRS intends that the "readily obtainable" standard in the 501(r) regulations for the AGB calculation and billing and collection policy is only met if those items are posted to the organization's web site The organization had interpreted that web posting standard to be a safe harbor after consulting with external counsel and tax advisors, and timely took other steps to make the information readily obtainable Consequently, the organization does not believe its decision to not post these documents to its web site rises to the level of a failure, nor does it believe the circumstances were either willful or egregious, having otherwise timely taken the steps necessary to attain and continue to maintain compliance with the other requirements related to the billing and collection policy and the AGB, as part of its policies and procedures for ensuring compliance with all aspects of 501(r) However, the organization is making this voluntary disclosure in order to communicate to the IRS the changes it is undertaking in response to the recent IRS informal guidance on this specific point concerning the "readily obtainable" standard, and the fact that the organization has started the work necessary to post its AGB information and billing and collection policy to its web site and will complete those additional postings as soon as reasonably possible The other web postings required under 501(r) (i e , those related to the community health needs assessment and the financial assistance policy) were timely completed and continue to remain in place as required The organization believes its safeguards worked as intended in this case (i e , the organization has regular communications with a number of external law firms and tax consultants and the timely attention to the recent guidance was supported by the framework of regular access to subject matter experts) These changes are in the process of being incorporated into corporate policies and procedures that apply to the organization
Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance	The cost of providing charity care, means tested government programs, and community benefit programs is estimated using internal cost data, and is calculated in compliance with the Catholic Health Association (CHA) guidelines The organization uses a cost accounting system that addresses all patient segments (For example Inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, Uninsured, or self-pay) The best available data was used to calculate the amounts reported in the table For the information in the table, A-cost-to-charge ratio was calculated and applied

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part II Community Building Activities	Physical improvements and housing, SHHS contributed to the construction of habitat for humanity homes SHHS participated with a Coalition of Local agencies including the Escarosa Coalition on the Homeless and the Alfred-Washburn Center, To Developing Low-income Housing Solutions, and provided physical improvements to the dwellings of low-income homeowners
Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount	Bad debt expense at cost is determined using the same cost to charge ratios that are used to calculate Financial Assistance and Medicaid Shortfall Discounts and allowances are accounted for separately from Bad Debt Expense

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 3 Bad Debt Expense Methodology	The amount is derived based on an estimated percentage by our business office of charity care that is part of bad debt We then apply the same cost to charge ratio methodology used for organization's bad debt expense to derive the estimated charity care within the population of bad debt
Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote	THE PROVISION FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL EXPERIENCE, ECONOMIC CONDITIONS, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY, INCLUDING THOSE AMOUNTS NOT COVERED BY INSURANCE THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR DOUBTFUL ACCOUNTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part III, Line 8 Community benefit & methodology for determining medicare costs	Ascension Health and related health ministries follow the Catholic Health Association (CHA) guidelines for determining community benefit CHA community benefit reporting guidelines suggest that Medicare shortfall not be treated as community benefit The cost to charge ratio method is used in determining the shortfall
Schedule H, Part III, Line 9b Collection practices for patients eligible for financial assistance	The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance If a patient qualifies for charity or financial assistance certain collection practices do not apply

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16a FAP website	A - Sacred Heart Hospital Line 16a URL http //sacred-heart org/patient-Billing/?ID=1137, B - Bay Medical Center Line 16a URL http //sacred-heart org/patient-Billing/?ID=1137,
Schedule H, Part V, Section B, Line 16b FAP Application website	A - Sacred Heart Hospital Line 16b URL http //sacred-heart org/patient-Billing/?ID=1137, B - Bay Medical Center Line 16b URL http //sacred-heart org/patient-Billing/?ID=1137,

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 16c FAP plain language summary website	A - Sacred Heart Hospital Line 16c URL http //sacred-heart org/patient-Billing/?ID=1137, B - Bay Medical Center Line 16c URL http //sacred-heart org/patient-Billing/?ID=1137,
Schedule H, Part VI, Line 2 Needs assessment	The Comprehensive Community Health Needs Assessment (CHNA) provides the general public as well as policy leaders with data and information on the health status of the population and existing resources to address health issues Conducted in collaboration with the Partnership for a Healthy Community (Sacred Heart Hospital in Pensacola), the Walton County Health Improvement Partnership and the Florida Department of Health-Walton County (Sacred Heart Hospital on the Emerald Coast), and the Florida Department of Health-Gulf County (Sacred Heart Hospital on the Gulf) as well as the plans for Sacred Heart Health System to sustain and develop new community benefit programs that address prioritized needs from the study The community enjoys a rich history of cooperation as Sacred Heart Health System and Baptist Health Care have jointly-sponsored four assessments of Escambia and Santa Rosa Counties in Northwest Florida since 1995 The studies have been widely used by the two competing organizations and many other health care providers in the market area to develop plans for addressing priority health needs The Partnership study conducted by Florida HealthTrac provides current and trended data on 234 health indicators for Escambia County and 233 for Santa Rosa County The study reports data at county and zip code levels, and includes comparisons to peer counties in the State of Florida, as well as at the national level The study also incorporates key demographic and socioeconomic data, and data on lifestyle/behavioral risk factors that impact health status The assessment tool enables Sacred Heart Health System the ability to track community health needs on an annual basis as it is aggregated from various sources within the State of Florida constantly updated in real time Studies of Walton and Gulf Counties continue to bear evidence of similar health outcomes as those experienced in Escambia and Santa Rosa Counties Florida ranks near the bottom nationally for public and preventative health funded outlays Walton County is designated as a primary care Health Professional Shortage Population and a Medically Underserved Population for low-income persons Health priorities for Escambia/Santa Rosa include smoking cessation, attaining and maintaining a healthy weight, and access/care navigation The priorities for Walton County include healthy behaviors, preventative care and health resource awareness Gulf County priorities include a healthy economy, health and care management resources, and mental health

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 3 Patient education of eligibility for assistance	Financial counselors assist individuals who do not have insurance to qualify for Medicaid, SCHIP, and other programs Counselors are trained not only in the policy, program and form processes, but also to respond with compassion, understanding and sensitivity toward persons living in poverty These services are available at established patient encounter locations such as pre-registration, registration, admissions and discharge, or at any other time requested along the continuum of patient care Further, trained counselors may assist with charity care or discount care based on the patient's personal income, their assets, and the size of their medical services bill Self-pay patients are granted an uninsured self-pay ranging from 72% to 79% depending on the health ministry's AGB (amounts generally billed) applied to their total charges A summary of financial assistance services, policies and programs are found on the health system website, posted predominately in key areas and made available through brochures A Guide to your Hospital Bill outlines payment and assistance options and it can be found in most areas of the hospital including admitting, emergency department, and diagnostic services
Schedule H, Part VI, Line 4 Community information	Sacred Heart Health System provides primary, secondary, and tertiary health care services to residents of the communities we serve This includes the greater Pensacola MSA consisting of Escambia and Santa Rosa Counties, and Okaloosa, Walton, Bay, Gulf and Franklin Counties in Northwest Florida and Baldwin and Escambia counties in Southwest Alabama There is special emphasis on service to the poor and those most in need The system includes the flagship 566 bed medical, surgical acute care hospital in Pensacola, Florida Housed within the Pensacola facility is the 106 bed Children's Hospital, the only one in Northwest Florida Sacred Heart Hospital on the Emerald Coast is a 58 bed medical surgical hospital located in Miramar Beach, Florida Sacred Heart Hospital of the Gulf is a 19 bed medical surgical hospital located in Port St Joe, FL In 2013, Sacred Heart Health System entered into a joint venture with LHP Hospital Group, Inc to operate 323-bed Bay Medical - Sacred Heart located in Panama City, Florida The regional referral center serves Bay County and surrounding communities Sacred Heart Health System also provides long-term care and operates a 120 bed long-term care, The Haven of Our Lady of Peace in Pensacola, which is a joint venture with the Methodist Homes for the Aging

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 5 Promotion of community health	Sacred Heart Health System provides many community benefits such as social services, pastoral care, community meeting space, and health education, all at no charge SHHS has an open medical staff with privileges available to all qualified physicians in the area The system is governed by a body of SHHS leaders with independent persons, representative of the community, comprising a majority of the board It also engages in medical or scientific research programs and in the training and education of health care professionals Another facility and program that promotes the health of the community includes a Pediatric Medical Clinic The Seton Center for Obstetrics and Gynecology provides services to low-income women eligible for Medicaid
Schedule H, Part VI, Line 6 Affiliated health care system	Sacred Heart Health System, Inc and subsidiaries (the Health Ministry) is a member of Ascension Health Ascension Health is a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 23 of the United States and District of Columbia Ascension Health, an official ministry of the Catholic Church maintains its affiliation through Ascension Sponsor which consists of lay persons as well as apostolic orders of religious men and women The religious orders consist of the St Louise Province of the Daughters of Charity of St Vincent de Paul, Congregation of St Joseph, Congregation of the Sisters of St Joseph of Carondelet, and the Alexian Brothers, and the Sisters of the Sorrowful Mother The Health System's principal operations consist of three nonprofit acute care hospitals Sacred Heart Hospital is located in Pensacola, Florida, Sacred Heart Hospital on the Emerald Coast is located in Miramar Beach, Florida, and Sacred Heart Hospital on the Gulf, Located in Port St Joe, Florida A fourth hospital, Bay Medical - Sacred Heart located in Panama City, Florida is a for-profit joint venture with LHP Hospital Group, Inc The Health System also owns and operates other health care related entities, including a long term care nursing facility and a physicians' medical group The Health System provides inpatient, outpatient, and emergency care services for residents of Northwest Florida and Southwest Alabama Admitting physicians are primarily practitioners in the local area The Health System is related to Ascension Health's other sponsored organizations through common control Substantially all expenses of Ascension Health are related to providing health care services Ascension Health directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care, which sustains and improves the health of the individuals and communities it serves In accordance with Ascension Health's mission of service to those who are poor and vulnerable, each Health Ministry accepts patients regardless of their ability of pay Ascension Health uses four categories to identify the resources utilized for the care of persons who are poor and community benefit programs Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured Unpaid cost of public programs represents the unpaid cost of services provided to persons covered by public programs for the poor Cost of other programs for the poor includes unreimbursed costs of programs intentionally designed to serve the poor and vulnerable of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the poor, including health promotion and education, health clinics and screenings, and medical research Discounts are provided to all uninsured patients, including those with the means to pay Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons who are poor and community benefit programs is estimated using internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service (IRS) Maintaining good health has been shown to positively affect an individual's ability to maintain employment and housing It is extremely difficult for homeless individuals to receive quality health care services In recent years, SHHS hospital emergency rooms have been inundated with patients who have non-critical health concerns due to lack of insurance, funding, and homelessness These patients are often left with no other choice but to use emergency rooms for illnesses that can be treated through primary care health services Based on the findings of the 2012 Health Needs Assessment, the system joined a coalition of providers and agencies to focus on improving access and care management

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Schedule H, Part VI, Line 7 State filing of community benefit report	FL

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

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

Section A. Hospital Facilities (list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? **1** Name, address, primary website address, and state license number		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	**Other (Describe)**	**Facility reporting group**
1	Sacred Heart Hospital 5151 N 9th Ave Pensacola, FL 32504 www sacred-heart org 4433	X	X	X	X		X	X			A
2	Sacred Heart on the Emerald Coast 7800 US Hwy 98 West Miramar Beach, FL 32550 www sacredheartemerald org 4470	X	X					X			A
3	Sacred Heart Hospital on the Gulf 3801 E Hwy 98 Port St Joe, FL 32456 www sacred-heart org/gulf 4502	X	X					X			A
4	Bay Medical Center 615 North Bonita Avenue Panama City, FL 32401 www sacred-heart org/baymedicalcenter 3982	X	X					X			B

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	Facility A, 1 - A1 - Sacred Heart Hospital Sacred Heart Hospital Pensacola Community Heal th Needs Assessment - 2015/2016 Overview In 2015, the Community Health Needs Assessment (C HNA) process was facilitated by the Partnership for a Healthy Community (Partnership), a n onprofit tax-exempt organization whose mission is to sponsor community health status asses sments for the communities of Escambia and Santa Rosa Counties in Northwest Florida and to support and promote collaborative initiatives that address priority health problems The Partnership completed four previous assessments for the community in 1995, 2000, 2005, and 2012 Collaborating partners in the completion of this report include representatives fro m The Florida Departments of Health in Escambia and Santa Rosa Counties, Baptist Health Ca re, Sacred Heart Health System, Escambia Community Clinics (a federally qualified health c enter), and the University of West Florida The area of the needs assessment was defined a s the population of Escambia and Santa Rosa Counties Escambia County is the 18th largest of Florida's 67 counties by population and the 38th largest by landmass The westernmost c ounty in the State of Florida has a total population of 302,421 According to the 2014 est imates by the Department of Health, Office of Health Statistics, the racial distribution i n Escambia County is 69 4% White, 30 6% Black or another race Of the total population, 5 4% is Hispanic Only 15 5% of residents speak a language other than English, compared to 2 7 4% for the State of Florida (2013 estimates) The county Poverty is 16 4%, significantly higher than the 13 8% average for the State of Florida Santa Rosa County borders Escambi a County to the east, and has a total population of 160,506 Its county seat is the City o f Milton, which has a population of around 9,000 According to the 2014 estimates by the D epartment of Health, Office of Health Statistics, the racial distribution in Santa Rosa Co unty is 87 7% White, 12 3% Black or another race Of the total population, 5 6% is Hispani c Only 6 5% of residents speak a language other than English, compared to 27 4% for the S tate of Florida (2013 estimates) Santa Rosa County is not only less populated than Escamb ia County, it also has a lower population density, reflecting a more rural landscape The southern portion of Santa Rosa County is geographically separated from the north by Pensac ola Bay The Partnership conducted a Community Health Survey with a total of 1,621 respond ents from Escambia and Santa Rosa Counties and found the following Themes and Community Co ncerns - Obesity, Poor Eating Habits, Affordability of Healthy Foods, - Access to Dental Care - Mental Health & Substance Abuse Behaviors & Access to Mental Health Services The P artnership collected county-level data for 167 health status indicators and 27 demographic indicators As a benchmark, individual performance for each county was compared to that o f Florida state as a whole To

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 1	identify overall themes, results were analyzed using the County Health Rankings model for population health that emphasized the impact of health factors, such as behavior, clinica l care, social & economic factors, and physical environment, on the health outcomes of mor tality (length of life) and morbidity (quality of life) The 2015-16 Community Health Need s Assessment - Escambia and Santa Rosa Counties, Florida (CHNA) report (available on-line at www sacred-heart org/CHNA) details the processes and data used to identify the top prio rity health issues for the two county area - Healthiest Weight and Nutrition - Tobacco Us e - Access to Care

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 2	Facility A, 2 - A2 - Sacred Heart on the Emerald Coast Sacred Heart Hospital on the Emera ld Coast Community Health Needs Assessment - 2015/2016 Overview In 2015, Sacred Heart Heal th System ("SHHS") and the Florida Department of Health - Walton County ("FDOH-Walton") wo rked together, in collaboration with other community organizations and agencies, to conduc t a community health needs assessment ("CHNA") for the approximately 59,000 residents of W alton County, Florida The area of this needs assessment is defined as the population of W alton County Walton County is situated in the Panhandle of Florida and encompasses 1,238 square miles Approximately 15% of Walton County's land mass is water, and an additional 2 0% is federally owned as part of Eglin Air Force Base The county seat is the City of DeFu niak Springs, and the City of Freeport and Town of Paxton are the only other incorporated areas Historically, Walton County has been one of the fastest growing counties in the Uni ted States The population grew more than 35% between 2000 and 2010 Between 2010 and 2014 , Walton County population grew 11 4%, compared to total population growth in the State of 5 5% during that period In spite of significant population growth,Walton County has a lo w population density of 50 people per square mile, and is designated as a statutory rural county by the State of Florida Minorities represent about 13% of the total population in Walton County, compared to almost 24% of the population of the State Only 5 7% of the pop ulation ofWalton County is Hispanic, compared to 23 3% of the State's population The medi an household income inWalton County is $43,640, significantly below that of the State In 2013, the poverty rate was 33 4%, compared to 29 0% statewide The unemployment rate as of August 2015 was 4 7%, lower than statewide and a significant improvement from the 9 4% ra te reported for 2010 The CHNA process was led by SHHS and FDOH-Walton, with active partic ipation by community organizations and private and public agencies which collectively comp rise the Walton Community Health Improvement Partnership (WCHIP) The CHNA process include d WCHIP meetings, a survey of health and human service organizations, and a community surv ey distributed both on-line and in paper format More than 50 people representing more tha n 30 different community agencies and organizations and the general public participated in various meetings throughout the process In addition, 253Walton County residents complete d the community survey Particular focus was placed on obtaining input from vulnerable pop ulation groups Based on the results of the assessments, a list of 50 health indicators th at were of greatest concern in Walton County was identified Using the County Health Ranki ng's model of population health as a framework, the top health issues were presented and d iscussed at a community meeting organized by WCHIP Participants were asked to consider th ree criteria for prioritizing

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 2	the top issues - Severity/Magnitude (of the health issue) - Feasibility to Address (avail ability of resources, community will) - Potential Impact (on community health status) The 2015-16 Community Health Needs Assessment - Walton County, Florida (CHNA) report (availabl e on-line at www sacred-heart org/CHNA) details the processes and data used to identify th e top priority health issues for Walton County - Provider Availability and Access - Subst ance Abuse and Mental Health - Healthy Weight

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 3	Facility A, 3 - A3 - Sacred Heart Hospital on the Gulf Sacred Heart Hospital on the Gulf Community Health Needs Assessment - 2015/2016 Overview In 2015, Sacred Heart Health System ("SHHS") and the Florida Department of Health - Gulf County ("DOHGULF") worked together, in collaboration with the DOH-Gulf's Community Health Improvement Partnership (CHIP) and n umerous other community organizations and agencies, to conduct a community health needs as sessment ("assessment") for the approximately 16,000 residents of Gulf County, Florida Th e CHNA provides a snapshot in time of the community strengths, needs, and priorities Guid ed by the Mobilization for Action through Planning and Partnerships (MAPP) process, the re port is a result of a collaborative and participatory approach to community health plannin g and improvement Improving the health of the community is critical to enhancing Gulf Cou nty residents' quality of life and supporting its future prosperity and well-being The ar ea for the purposes of the assessment was defined as the population of Gulf County Gulf C ounty has a total area of 745 square miles, of which 25% is water There are two populatio n centers in Gulf County - Wewahitchka in the northeast part of the County and Port St Jo e, the County seat and largest city, on the coast The population in Gulf County increased by 7 0% between 2000 and 2010, although the growth rate was less than the State of Florid a over the same period Between 2010 and 2014, the Gulf County population grew only 2 5%, compared to total population growth in the State of 5 8% during that period Minorities re present about 23% of the total population, comparable to the composition of the State The median household income in Gulf County is $40,455, significantly below that of the State In 2013, the poverty rate was 30 8%, compared to 29 0% statewide The unemployment rate a s of August 2015 was 4 9%, lower than statewide and a significant improvement from the 10 3% rate reported for 2010 The assessment process included CHIP meetings and workshops and a community survey distributed both online and in paper format More than 25 people repre senting more than 15 different community agencies and organizations and the general public participated in various meetings throughout the process In addition, 240 Gulf County res idents completed the community survey Particular focus was placed on obtaining input from vulnerable population groups Quantitative data were obtained from county, state, and nat ional sources Qualitative information was obtained through regular CHIP meetings and work shops and the community survey The data review was followed by a decision matrix and ende d with selection of health priorities based on the following criteria - Broad applicabili ty of solution set - Time frame required to support efforts - Potential to reduce health d isparities - Alignment with vision (To enhancer health for all generations in Gulf County) - Community support for the p

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility A, 3	roblem - Resource availability to address problem The 2015-16 Community Health Needs Asses sment - Gulf County, Florida (CHNA) report (available on-line at www sacred-heart org/CHNA) details the processes and data used to identify the top priority health issues for Gulf County - Access to Care - Mental Health and Substance Abuse - Healthy Weight

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6a Facility A, 1	Facility A, 1 - A1 - Sacred Heart Hospital Baptist Healthcare

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6b Facility A, 1	Facility A, 1 - A1 - Sacred Heart Hospital The Florida Departments of Health in Escambia and Santa Rosa Counties, Sacred Heart Health System, Escambia Community Clinics (a federally qualified health center), and the University of West Florida

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6b Facility A, 2	Facility A, 2 - A2 - Sacred Heart of the Emerald Coast In 2015, Sacred Heart Health System ("SHHS") and the Florida Department of Health - Gulf County ("DOHGULF") worked together, in collaboration with the DOH-Gulf's Community Health Improvement Partnership (CHIP) and numerous other community organizations and agencies, to conduct a community health needs assessment ("assessment") for the approximately 16,000 residents of Gulf County, Florida

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6b Facility A, 3	Facility A, 3 - A3 - Sacred Heart Hospital of the Gulf In 2015, Sacred Heart Health System ("SHHS"), the Florida Department of Health - Bay County ("DOH-Bay") and the Bay County Community Health Task Force (CHTF) worked together, in collaboration with other community organizations and agencies, to conduct a community health needs assessment (CHNA) for the approximately 175,000 residents of Bay County, Florida

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 7 Facility A, 1	Facility A, 1 - A1 - SACRED HEART HOSPITAL At a community Forum

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 7 Facility A, 2	Facility A, 2 - A2 - Sacred Heart on the Emerald Coast At a community forum

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 7 Facility A, 3	Facility A, 3 - A3 - Sacred Heart Hospital on the Gulf At a community Forum

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	Facility A, 1 - A1 - Sacred Heart Hospital HEALTHY WEIGHT GOAL Improve skills and access for healthy weight STRATEGY/ACTIONS Prevent type 2 diabetes by educating patients on se lf-monitoring of diet and physical activity, building self-efficacy and social support to maintain lifestyle changes, and problem-solving to overcome common weight loss, physical a ctivity, and healthy eating challenges BACKGROUND - The target population is adults who are overweight or obese (BMI 25 0 or greater) and are at risk for type 2 diabetes (determi ned by American Diabetes Association Risk Assessment Test) - Sacred Heart Diabetes Prevent ion Program (DPP) is a 52 week program that addresses healthy lifestyle choices, including a focus on achieving and maintaining a healthy weight - DPP includes evidence based curr icula from the Centers of Disease Control (CDC) Diabetes Prevention Program which consists of a series of 16 weekly classes, 8 biweekly and 6 monthly classes - Classes are promote d community-wide and participants may self-refer or be referred by their medical team RES OURCES/COMMUNITY PARTNERS SHHPS Patient Education Department (SHPED), Sacred Heart Medica l Group (SHMG), Live Well Partnership for a Healthy Community OUTCOMES/ANTICIPATED IMPACT - By June of 2017, 50% of participants will achieve a minimum of 150 minutes of moderate activity per week at completion of first 16 weeks - By June of 2017, 50% of participants will have a minimum of 5% total weight loss at 6 month check-in per logs TOBACCO USE GOAL Reduce adult tobacco use STRATEGY/ACTIONS Provide tobacco cessation classes/ counseling targeting Sacred Heart inpatients and outpatients BACKGROUND - When medically appropria te, bed-side information and counseling is provided for inpatient tobacco users identified through the admission process Patients identified during inpatient stays receive more ta rgeted follow up assistance and may be enrolled in classes, receive one on one counseling and nicotine replacement therapy (as appropriate) following their inpatient stay - Physic ians may identify and refer patients during outpatient visits to participate in classes of fered on campus free of charge to the public and/or for one-on-one tobacco cessation couns eling Classes are also promoted community wide and do not require a referral - Free nico tine replacement therapy (available through classes) is available for most cessation optio ns - All classes and counselling follow the Agency for Health Care and Quality clinical gu idelines best practices for treating tobacco use RESOURCES/COMMUNITY PARTNERS Sacred Hea rt Patient Education (SHPE), Area Health Education Center (AHEC), Sacred Heart Medical Gro up (SHMG), Sacred Heart Residency Support, Sacred Heart Marketing (SHM), Live Well Partner ship for a Healthy Community OUTCOMES/ANTICIPATED IMPACT - By June 2017, one year quit ra tes for participants (inpatient origin) will increase by 3% to 65% quit - By June 2017, o ne year quit rates for partici

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 1	pants (community/outpatient origin) will increase by 3% to 88% quit ACCESS TO CARE GOAL Promote early intervention and health management STRATEGY/ACTIONS Providing community hea lth screenings, health promotion education and support through community based outreach se rvices to reduce ED and Inpatient admissions and length of stay due to unmanaged condition s BACKGROUND - Early intervention, self-care education and access to a medical home can reduce the onset and severity of ambulatory sensitive conditions such as diabetes and cong estive heart failure - Mission in Motion (MIM) provides free health screenings at sites i n Escambia and Santa Rosa counties The MIM targets persons who are poor, uninsured, or el derly and provides blood screenings to measure blood pressure, blood sugar, total choleste rol and blood count - Sacred Heart's Faith Community Nursing Program (FCN) is available t o churches of all faiths It supports the efforts of volunteer nurses who choose to assist church members in a variety of way Faith community nurses are state licensed RNs, often retired or semi-retired, who feel a calling to this special role Parish nurses do not act as home health nurses or provide hospital-style nursing care, but they may make home visi ts to persons with health care needs, organize a health care screening through Sacred Hear t, initiate referrals to physicians or community agencies, or provide other health educati on or spiritual support to church members - AADE7 Self Care Behaviors is evidence based i ntervention developed by the American Association of Diabetic Educators (AADE) - Escambia and Santa Rosa uninsured rates are 18 5% In FY 2015, the highest volume of uninsured IP admissions were from the 32505 zip code - Additional focus of the Community Wellness Outr each will target recruitment and outreach efforts in the 32505 zip code RESOURCES/COMMUNI TY PARTNERS Community Wellness Outreach (CWS) Faith Community Nursing (FCN), Mission in Motion (MIM), Local churches and community centers Funding for Escambia Community Clinics - ECC Live Well Partnership for a Healthy Community OUTCOMES/ANTICIPATED IMPACT - By Ja nuary 2017, 90% of MIM clients over the age of 65 will have received a flu shot - By Dece mber of 2017, 50% of FNC clients tested will score higher than 80% on the AADE7 Self Care Behaviors Post test - By December of 2017, total cost of uncompensated SHHP Emergency Depa rtment admissions in FY 2015 from zip code 32505 will be reduced by 10%

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 2	Facility A, 2 - A2 - Sacred Heart on the Emerald Coast ACCESS TO CARE GOAL Increase acce ss to primary care services for the uninsured and underinsured in Walton County STRATEGY/ ACTIONS Increase the availability of primary care and chronic disease management for unin sured and underinsured adults in Walton County BACKGROUND - Access to comprehensive, qua lity healthcare services is important for the achievement of health equity and for increas ing the quality of healthy life for everyone Access to care impacts the overall physical, social and mental health status, prevention of disease and disability, preventable hospit alization, detection and treatment of health conditions, quality of life, preventable deat h, and life expectancy - Access to care is a major issue in Walton County and is primaril y driven by the lack of available providers, high cost of insurance coverage and lack of a wareness of available services - About 22% of the adult population in Walton County does not have a primary care provider, which increased from 19% in the previous period - Walto n County has less providers per population than the state in all four categories for prima ry care, including family medicine, internal medicine, pediatrics and obstetrics/gynecolog y The Health Resources & Services Administration (HRSA) has designated all of Walton Coun ty as a health professional shortage area (HPSA) for primary care, mental health and denta l care - The Hope Medical Clinic is a free clinic in Destin, Florida (Okaloosa County) th at serves the uninsured and underinsured working residents of Okaloosa and Walton counties The clinic provides robust primary care services, chronic disease management and referra ls for social services and specialty medical care The current wait time for a new patient appointment referred by the emergency department navigators at Sacred Heart is four to si x weeks - With support from community agencies, the Hope Medical Clinic will open a new c linic in Freeport (central Walton County) over the next 12-18 months The new clinic will be located in a medically underserved area that easily reaches patients from all parts of Walton County The clinic will welcome new patients and provide walk-in care a few days a week for established patients The opening of the new clinic will allow the original clini c in Okaloosa County to enhance services as well, including offering walking care a few da ys a week for established patients - If the Hope Medical Clinic is able to operate two fr ee clinics with walk-in care services a few days a week, the overall goal is to get new pa tients referred by the emergency department navigators a new patient appointment within fi ve business days RESOURCES/COMMUNITY PARTNERS Sacred Heart Hospital on the Emerald Coast (Administration, Patient Navigators, funding), Hope Medical Clinic OUTCOMES/ANTICIPATED IM PACT - By June 2017, achieve a minimum of 150 new patients enrolled with Hope Medical Cli nic through financial support

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 2	of clinic operations and patient navigation/ED diversion - By June 2017, reduce the amoun t of time to the next available appointment in Destin for a new patient referred by the ED navigator to 5 weekdays or less - By June 2019, reduce the percentage of community respo ndents that report they could not afford a primary care appointment by 1 7% per follow-up surveying MENTAL HEALTH AND SUBSTANCE ABUSE GOAL Increase positive infant outcomes due t o early identification of prenatal substance abuse STRATEGY/ACTIONS Establish policy and environment of care to identify newborns and unborn children exposed to harmful drugs dur ing the prenatal period, implementing an interdisciplinary approach to provide earliest in tervention possible for treatment of mother and child BACKGROUND - Currently there are i s no policy/ established process for suspected prenatal drug use In FY 2016, it is estima ted that 100 babies were delivered into our facilities that had been exposed to drugs that may lead to complications Types of drug usage may range from occasional marijuana use to chronic use/addiction - In utero exposure to certain drugs can cause neonatal withdrawal (Neonatal Abstinence Syndrome - NAS) after birth when the drug is abruptly stopped becaus e the infant, like the mother, has developed physical dependence on the drug - NAS increa ses the risk of respiratory complications at birth, low birthweight, prematurity, feeding difficulties, and seizures Early intervention can reduce the severity of withdrawal, impr ove symptoms and reduce the average length of stay (LOS) and transfers to the neonatal in tensive care unit (NICU) - The incidence of NAS in the United States has increased form 1 2 per 1,000 hospital births in 2000 to 3 39 per 1,000 hospital births in 2009 (FOAG, 2013) - The rate of Walton County infants with Neonatal Abstinence Syndrome has increased fro m 7 7 per 1,000 live births in 2007 to 17 1 per 1,000 live births in 2011 This is signifi cantly higher than Florida's rates of NAS at 3 1 & 7 5 respectively (FOAG, 2013) - Provid ing more information to community health care and service providers on available treatment and intervention resources for pregnant women can help reduce the incidence of Neonatal A bstinence Syndrome - Cases of interest are identified by DCF inquiry and/or flagged by he alth professional (community OB, facility) for suspected drug exposure in utero RESOURCES /COMMUNITY PARTNERS SHHEC Family Birth Place (FBP), affected staff (social work (SW), nur sing, lab technicians, pediatricians, and obstetricians), time, materials, equipment, tech nology, shipping cost for meconium testing, technology, and community partners such as C O P E , Department of Children and Families (DCF), Healthy Start, and CDAC OUTCOMES/ANTICI PATED IMPACT - By June 2017, 65% of cases of interest will be screened within 12 hours of birth for prenatal harmful drug use - By June 2017, 75% of women testing positive for ha rmful drug use during prenatal

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 2	period and referred to SHHG Social Worker by their PCP/OB will receive Social Worker cons ultation (SW Prenatal Referral Consults) - By June 2017, no more than 50% of SW Prenatal Referral Consults will test positive for harmful drug use upon admission - By June 2017, the average length of stay for newborn cases of interest will be no more than 75% longer t han normal newborn average LOS HEALTHY WEIGHT GOAL Increase the initiation of breastfeed ing in Walton County STRATEGY/ACTIONS Implement policies, training and resources to suppo rt breastfeeding among mothers delivering at SHHEC BACKGROUND - Target population is mot hers delivering at SHHEC (approximately 1,200/year) - Breastfeeding is an evidence-based intervention that reduces the risk of childhood obesity as well as diabetes and SIDS in ch ildren (WHO, UNICEF, HP2020, CDC) - "Baby Friendly" designation is a system and policy ch ange intervention - The Baby-Friendly Hospital Initiative (BFHI) is a global program that was launched by the World Health Organization (WHO) and the United Nations Children's Fun d (UNICEF) in 1991 to encourage and recognize hospitals and birthing centers that offer an optimal level of care for infant feeding and mother/baby bonding It recognizes and award s birthing facilities who successfully implement the Ten Steps to Successful Breastfeeding (i) and the International Code of Marketing of Breast-milk Substitutes (ii) - All measure s/targets are for 'well babies' (normal newborn - medically appropriate) RESOURCES/COMMUNI TY PARTNERS Lactation Consultant (L), Hospital admin (H), Hospital Staff RNs (R), Task Fo rce (T), SHHEC Marketing (M), FL Dept of Health-Walton County (DOH-W), SHMG OB-GYNs and St aff (S), Baby Friendly USA (B) OUTCOMES/ANTICIPATED IMPACT - By May 2017, achieve Baby-Fr iendly Designation from Baby-Friendly USA, Inc - By May 2017, increase to 90% the percent of mothers delivering at SHECC who attempt breastfeeding - By May 2017, increase to 90% the percent of mothers delivering at SHECC who are exclusively breastfeeding at discharge

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 3	Facility A, 3 - A3 - Sacred Heart Hospital on the Gulf ACCESS TO CARE GOAL Reduce unnecessary admissions and emergency department visits by increasing access to primary care in Gulf / Franklin County STRATEGY/ACTIONS Increase activation for underserved living with diabetes, hypertension, heart failure, and COPD through coaching, care management, and medical home coordination BACKGROUND - The target population is underserved living in Gulf and Franklin counties - MyGulfCare (MGC) is a program of SHHG in partnership with the Florida Department of Health in Gulf County (DOH-Gulf) that targets low-income Gulf County residents with chronic disease management challenges MyGulf Care employs a nontraditional, individualized approach by providing chronic care nurse coaching assistance and education to address both health care and social services needs - During the fourth quarter of FY 2016, the program expanded to include COPD and heart failure disease conditions - Disease management stop light tools have been developed for COPD and heart failure, but not yet for diabetes - The strategy will be developed using evidence based disease management information from sources such as American Association of Diabetes Educators (AADE) and Insignia Health's Coaching for Activation RESOURCES MyGulf Care (MGC) Social Worker (SW), Nurse Care Managers (CM), and Pharmacy Assistance Program Coordinator (PAP), Gulf County Health Department, Franklin County Health Department, Sacred Heart Medical Group, Sacred Heart Hospital Care Coordination Department, SHHG Emergency Department OUTCOMES/ANTICIPATED IMPACT - By June 2017, at least 50% of program participants will have a documented Patient Activation Measurement (PAM) level of at least 3 - By June 2017, at least 75% of participants will be scheduling their own primary care visits - By June 2017, at least 75% of participant s enrolled for 12 months will show improvement in biometric data (A1c levels, blood pressure, weight) - By 2018, reduce Gulf County Emergency Department visit rate for ambulatory sensitive conditions by 3% MENTAL HEALTH AND SUBSTANCE ABUSE GOAL Increase awareness of mental health services in Gulf County STRATEGY/ACTIONS Provide education to the community to increase awareness of services available and reduce the stigma associated with mental health and mental illnesses BACKGROUND - Average number of adult poor mental health days in Gulf County (last 30 days- Count) 7 5 vs State 5 1 - More than 1 in 5 of the general population respondents and 15% (n=) of the vulnerable population respondents feel that mental health is one of the most important health issues in the county (Community Survey, 2015) - 37% of both general and vulnerable population respondents indicated that they think mental health services are difficult to obtain within Gulf County (Community Survey, 2015) - 30% of the general population respondents and 26% of vulnerable respondents did not know where to go to receive men

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility A, 3	tal health care (Community Survey, 2015) RESOURCES Sacred Heart on the Gulf (SHHG) staf f, meeting space, printing and distribution MyGulfCare, Gulf 211, Florida Department of H ealth in Gulf County (FDOH-G), Gulf Community Health Improvement Plan (CHIP) Partners OUT COMES/ANTICIPATED IMPACT - By April 2018, the percentage of the general Gulf County popul ation who are aware of mental health resources will increase from 60% to 65% HEALTHY WEIGH T GOAL Reduce the impact of obesity (BMI greater than 30 0) and diabetes in Gulf County STRATEGY/ACTIONS Improve MyGulfCare client self-management of weight and blood glucose le vels through education and counselling BACKGROUND - According to the Florida Department of Health, the number one public health threat to Florida's future is unhealthy weight Th e estimated annual medical cost for people who are obese is $1,429 higher than that for pe ople of healthy weight (BMI = 18 5-24 0) - Currently, only 36 percent of Floridians are at healthy weight, and only 33% of Gulf County adults are at a healthy weight - Obesity is a major contributor to many preventable chronic diseases and other poor health outcomes, i ncluding Type 2 Diabetes - 13 6% of Gulf County residents are known to have Diabetes, whi ch is up from 7 6% during the prior reporting period and exceeds the state rate of 11 2% - Target population is MyGulfCare (MGC) clients MGC is a program of SHHG in partnership w ith the Florida Department of Health in Gulf County (DOH-Gulf) that targets low-income Gul f County residents with chronic disease management challenges MyGulf Care employs a non-t raditional, individualized approach by providing chronic care nurse coaching to address bo th health care and social services needs - National Standards for DSME RESOURCES Diabete s educator (DE), SHHEC/SHHP CDE mentors, DSMT course materials, American Association of Di abetic Educators (AADE) patient education DVDs, Diabetic Self-Management Education (DSME) Education Grant, MyGulfCare, Pharmacies, Health Dept OUTCOMES/ANTICIPATED IMPACT - By Ju ne of 2017, 50% of MyGulfCare clients participating in Diabetic Self-Management Education will have a minimum of 3% total weight loss at 6 month check-in

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 5 Facility B, 1	Facility B, 1 - B1 - Bay Medical Center In 2015, Sacred Heart Health System ("SHHS"), the Florida Department of Health - Bay County ("DOH-Bay") and the Bay County Community Health Task Force (CHTF) worked together, in collaboration with other community organizations and agencies, to conduct a community health needs assessment (CHNA) for the approximately 175,000 residents of Bay County, Florida The CHNA provides a snapshot in time of the community strengths, needs, and priorities Guided by the Mobilization for Action through Planning and Partnerships (MAPP) process, the report is a result of a collaborative and participatory approach to community health planning and improvement Improving the health of the community is critical to enhancing Bay County residents' quality of life and supporting its future prosperity and well-being

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

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 6b Facility B, 1	Facility B, 1 - B1- Bay Medical Center The assessment process was led by SHHS and DOH-Bay, with active participation by community organizations and private and public agencies which collectively comprise the Bay County Community Health Task Force The assessment process included community meetings/workshops and a community survey distributed both on-line and in paper format More than 81 people representing more than 50 different community agencies and organizations and the general public participated in various meetings throughout the process In addition, 1,538 Bay County residents completed the community survey Particular focus was placed on obtaining input from vulnerable population groups

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility B, 1	Facility B, 1 - B4 - Bay Medical Center CHRONIC DISEASE GOAL Improve disease management related to Congestive Heart Failure STRATEGY/ACTIONS Raise awareness of risk factors and early interventions that can be utilized to reduce readmissions to the acute care setting BACKGROUND - Readmissions related to poorly controlled disease management within the com munity Historically review of readmissions revealed frequent readmissions from extended c are facilities related to fluid overload and a lack of follow-up care within a timely mann er of discharge - Together, heart disease and stroke are among the most widespread and co stly health problems facing the Nation today, accounting for more than $500 billion in hea lth care expenditures and related expenses in 2010 alone Fortunately, they are also among the most preventable (Healthy People 2020) RESOURCES Bay Medical Center / Sacred Heart Case Managers (CM) and Quality staff (Q) will partner with community resources Resources within our community Bay County Health Department (BCHD), extended care partners, senior citizens outreach, home healthcare (HHC) organizations, and Charity Network OUTCOMES/ANT ICIPATED IMPACT - By June 2017, 10% of patients discharged with CHF will have follow-up a ppointments with their primary care physicians prior to leaving hospital - By June 2017, 25% of patients discharged with CHF who are 75 years of age and older will have referrals for HHC services - By December 2017, reduce CHF 30 day readmissions by 10% MENTAL HEALTH AND SUBSTANCE ABUSE GOAL Increase awareness of outpatient resources available within comm unity for depression and risk of suicide STRATEGY/ACTIONS Educate community regarding lo cal resources available for mental health risks, specifically depression and suicide BACK GROUND - There is a lack of local awareness of the resources available to local residents who are depressed or suicidal This has been evidenced by routine crisis admissions witho ut prior use of community resources - Mental disorders are among the most common causes o f disability - Suicide death rate in Bay County (2012-14) is 20 9, exceeding the State ra te - The resulting disease burden of mental illness is among the highest of all diseases (Healthy People 2020) RESOURCES Bay Medical Center / Sacred Heart Hospital Admin (H), Ma rketing (M), Case Management (CM) and Social Workers (SW) Local resources include Area H ealth Education Coalition (AHEC), Bay County Health Department (BCHD), Life Management (LM), Veterans Affairs (VA), Department of Children and Family Services, and local law enforc ement (LE) OUTCOMES/ANTICIPATED IMPACT - By June 2017, 75% of patients that are identifi ed at risk for suicide will be discharged with local community resource packets - By Dece mber 2017, 25% of patients that are identified at risk for suicide will have follow-up dis charge calls to ensure they are utilizing mental health resources - By December 2017, red uce ED visits related to menta

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

Form and Line Reference	Explanation
Schedule H, Part V, Section B, Line 11 Facility B, 1	l health issues by 2% HEALTHY WEIGHT GOAL Increase breastfeeding of newborns within Bay County STRATEGY/ACTIONS Increase awareness of health benefits for newborns associated wi th breastfeeding and provide direct support and resources to mothers delivering at Bay Med ical - Sacred Heart BACKGROUND - Breastfeeding is an evidence-based intervention that red uces the risk of childhood obesity as well as diabetes and SIDS in children (CDC) - Breas tfeeding initiation rate (2013-14) is 72 6 per 100,000 population and is lower than the st ate rate RESOURCES Bay Medical Center / Sacred Heart Hospital Admin (H), Hospital Staff (RN), Quality (Q) and Marketing (M) Local resources include Healthy Start (HS), Bay Count y Health Department (BCHD), local pediatricians and OB physicians, Bay County Breastfeedin g Task Force (BCBTF) OUTCOMES/ANTICIPATED IMPACT - By June 2017, 50% of mothers deliveri ng at Bay Medical who plan to breastfeed will have newborn (without medical complications) initiate breastfeeding within one hour of delivery - By June 2017, 35% of mothers delive ring at Bay Medical who plan to breastfeed will be breastfeeding at discharge (newborns wi thout medical complications)

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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?_____

Name and address	Type of Facility (describe)
Sacred Heart Occ Health Strategies 6665 Pensacola Blvd Pensacola, FL 32505	Help employers to gain control over healthcare expenses
Sacred Heart Pediatric Care Center 1675 Trinity Drive Pensacola, FL 32504	Provides pediatric care regardless of their ability to pay
Sacred Heart Cardiac Rehab Center 1601 Airport Blvd Pensacola, FL 32501	To help patients with their cardio pulmonary needs
Sacred Heart Pulmonary Rehab Center 1601 Airport Blvd Pensacola, FL 32501	To help patients with their cardio pulmonary needs
Sacred Heart Seton for OBGYN 5045 Carpenters Creek Dr Pensacola, FL 32503	Provide obstetrics & gynecological care for all women
Outpatient Laboratories 1549 Airport Blvd Pensacola, FL 32504	Provide diagnostic services & monitoring services for children & women
Outpatient Rehabilitation Center 4406 N David Hwy Pensacola, FL 32503	To provide patients with their physical, occupational & speech
Sacred Heart Medical Park-Pace 3754 Hwy 90 Pace, FL 32571	Comprehensive diagnostic & physician services to Pace & Milton areas
Sacred Heart Medical Park-Airport 1549 Airport Blvd Pensacola, FL 32504	Comprehensive diagnostic & physician services outside of hospital
Sacred Heart Urgent Care 6665 Pensacola Blvd Pensacola, FL 32505	Provides walk-in care for minor injuries and illness seven days a week
Laboratory Services 5151 N 9th Ave Pensacola, FL 32504	Laboratory Services
Laboratory Services 4511 N Davis Hwy Pensacola, FL 32503	Laboratory Services
Laboratory Services 400 Milestone Blvd Pensacola, FL 32533	Laboratory Services
Laboratory Services 3754 El Rito Drive Pensacola, FL 32407	Laboratory Services
Laboratory Services Sorrento Road Pensacola, FL 32507	Laboratory Services

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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?_____

Name and address	Type of Facility (describe)
Rehab Center 4929 Mobile Hwy Pensacola, FL 32526	Rehabilitation Center
Rehab Center 3754 Hwy 90 Pensacola, FL 32571	Rehabilitation Center
Rehab Center 3408 Santa Rosa Dr Pensacola, FL 32563	Rehabilitation Center
Rehab Center 13137 Sorrento Road Pensacola, FL 32507	Rehabilitation Center
Occupational Health Strategies 4412 N Davis Hwy Pensacola, FL 32503	Occupational Health
Ann L Baroco Center for Women's Health 5375 N 9th Avenue Pensacola, FL 32504	Women's Health Center
Sacred Heart Pharmacy 5149 N 9th Avenue Pensacola, FL 32514	Pharmacy Services
Regional Prenatal Center 5153 N 9th Avenue Pensacola, FL 32504	Perinatal Center
Surgical Weight Loss Center 5149 N 9th Avenue Pensacola, FL 32514	Weight Loss Center
Sacred Heart Cancer Center 1545 Airport Blvd Pensacola, FL 31504	Provides the highest standard of cancer care
SHMG at Pea Ridge 4435 Hwy 90 Pace, FL 32571	Comprehensive Diagnostic and Physician services outside of the hospital
SHMG Destin Arcon Surgery Ctr 36500 Emerald Coast Pkwy Destin, FL 32541	Comprehensive Physician Services in Destin
SHMG Reheumatology Pensacola 2441 North 9th Ave Pensacola, FL 32503	Comprehensive Diagnostic and Physician Services outside the Hospital
Port St Joe MOB 3871 E Hwy 98 Port St Joe, FL 32456	Comprehensive Diagnostic and Physician Services outside of Hospital
Bluewater Bay 4586 Hwy 20 Niceville, FL 32578	Comprehensive Physician and Diagnostic care outside the hosptial

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? _____

Name and address	Type of Facility (describe)
SHMG Gulf Breeze (Westafer) 2569 Gulf Breeze Pkwy Gulf Breeze, FL 32563	Comprehensive Diagnostic and Physician Services outside of the Hospital
SHMG Freeport 281 St Hwy 20 East Freeport, FL 32563	Comprehensive and Diagnostic Physician services outside of the hospital
SHMG FT Walton Beach North Given 2010 Lewis Turner Blvd Ft Walton Beach, FL 32547	Comprehensive and Diagnostic Physician Services outside the hospital
SHMG Crestview Pediatrics 332 Medcrest Dr Crestview, FL 32536	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG Pace 5 points 5607 Woodbine Rd Pace, FL 32571	Comprehensive and Diagnostic Physician Services outside the Hospital
Tiger Point Medical Park 4033 Gulf Breeze Pkwy Gulf Breeze, FL 32563	Comprehensive and Diagnostic Physician Services outside the Hospital
SRMC Cardiology 5992 Berryhill Road Ste 302 Milton, FL 32570	Comprehensive and Diagnostic Physician Services outside the Hospital
GCMA 4 orthodpedics 4541 N Davis Hwy Pensacola, FL 32503	Comprehensive and Diagnostic Physician Services outside the Hospital
GCMA 3 Sports Center 4521 N Davis Hwy Pensacola, FL 32503	Comprehensive and Diagnostic Physician Services outside the Hospital
GCMA 5 Handcenter Rehab 4551 N Davis Hwy Pensacola, FL 32503	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG Pediactrics PACE 5565 Woodbine Road Pace, FL 32570	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG Beckric PC 120 Richard Jackson Blvd Suite 100 120 and 180 Panama City, FL 32547	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG GCMA 2 4501 N Davis Hwy Pensacola, FL 32503	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG Downtown Pensacola 151 Main Street Pensacola, FL 32513	Comprehensive and Diagnostic Physician Services outside the Hospital
SHMG Pediatrics Milestone 185 Crossville St Cantonment, FL 32533	Comprehensive and Diagnostic Physician Services outside the Hospital

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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?_____

Name and address	Type of Facility (describe)
Autism Pensacola 5164 Bayou Blvd Pensacola, FL 32503	Comprehensive and Diagnostic Provider Services outside the Hospital
SHMG Pediatrics 15 Daniel Drive Gulf Breeze, FL 32561	Comprehensive and Diagnostic Physician Services outside the Hospital
Mack Bayou 2 27 Mack Bayou loop Santa Rosa, FL 32549	Comprehensive and Diagnostic Physician Services outside the Hospital
Somerby SHHEC Primary Care OP 164 W Hewitt Road Santa Rosa Beach, FL 32549	Comprehensive and Diagnostic Physician Services outside the Hospital
Mack Bayou 141 Mack Bayou Loop Sutie 201 and 2 02 Santa Rosa Beach, FL 32459	Comprehensive and Diagnostic Physician Services outside the Hospital
Apalachicola OP Rehab 76 Market Street Unit CD Apalachicola, FL 32320	Comprehensive and Diagnostic Physician Services outside the Hospital
Pediatrics FWB 1025 Beal Pkwy Ft Walton Beach, FL 32547	Comprehensive and Diagnostic Physician Services outside the Hospital
Walgreens 2237 W Nine Mile road Cantonment, FL 32533	Comprehensive and Diagnostic providerServices outside the Hospital
Walgreens 8220 Navarre Parkway Pensacola, FL 32566	Comprehensive and Diagnostic Physician Services outside the Hospital
Walgreens #5581 6314 N 9th Avenue Pensacola, FL 32504	Comprehensive and Diagnostic Physician Services outside the Hospital
Walgreens 3909 Hwy 90 Pace, FL 32507	Comprehensive and Diagnostic Physician Services outside the Hospital
Pine Forest Commons 2107 W Nine Mile Road Suite 2/3 Pensacola, FL 32534	Comprehensive and Diagnostic Physician Services outside the Hospital

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I General Information on Grants and Assistance

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

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

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

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

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

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 4

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

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

Return Reference	Explanation
Schedule I, Part I, Line 2 Procedures for monitoring use of grant funds	All grant funds awarded to Sacred Heart Health System, Inc are monitored and administered by administration leaders in Operations Operations monitor expenditures to ensure that use of the funds is consistent with the requirements in the applicable award agreement/contract Sacred Heart Health System, Inc requires that support be maintained for all qualified expenditures of grant funds Finance meets with Operations on an annual basis before fiscal year end to review their operating budgets for compliance

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
ESCAMBIA COMMUNITY CLINICS INC 14 WEST JORDAN ST 2G PENSACOLA, FL 32501	59-3105246	501(C)(3)	550,000				GENERAL PURPOSE
HOPE MEDICAL CLINIC 150 BEACH DRIVE DESTIN, FL 32541	26-3811078	501(C)(3)	141,100				GENERAL PURPOSE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NATIONAL FLIGHT ACADEMY 1750 RADFORD BLVD SUITE B PENSACOLA, FL 32508	59-6178237	501(C)(3)	21,602				GENERAL PURPOSE
CROSSROADS CENTER INC 444 VALPARAISO PKWY STE 203 VALPARAISO, FL 32580	20-5518720	501(C)(3)	19,500				GENERAL PURPOSE

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Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
See Additional Data	

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 1a Housing allowance or residence for personal use	The following individual(s) received a housing allowance from the organization which was included in taxable compensation John Halstead - $7,332

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 3 Arrangement used to establish the top management official's compensation	ASCENSION HEALTH, A RELATED ORGANIZATION OF SACRED HEART HEALTH SYSTEM, INC USES THE FOLLOWING TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S PRESIDENT & CEO - COMPENSATION COMMITTEE - INDEPENDENT COMPENSATION CONSULTANT - COMPENSATION SURVEY OR STUDY - APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 4a Severance or change-of-control payment	The following individual(s) received severance payments from the organization or a related organization Marius Petruc, MD - $109,982

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan	Eligible executives participate in a program that provides for supplemental retirement benefits The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization Benefits under the program are unfunded and non-vested Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program Any amount ultimately paid under the program to the executive is reported as compensation on Form 990, Schedule J, Part II, Column B in the year paid The following individuals received payment from the supplemental nonqualified retirement plan in the amount as noted - Roger Hall - $71,644

Part III, Supplemental Information

Return Reference	Explanation
Schedule J, Part II COMPENSATION FROM AN UNRELATED ORGANIZATION OR INDIVIDUAL	NAME - PETER JENNINGS, COMPENSATION FROM UNRELATED ORGANIZATION - 144679 000000, NAME OF UNRELATED ORGANIZATION - FLORIDA CLINICAL PRACTICE ASSOCIATION, INC , TYPE OF COMPENSATION - PAYROLL

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
1SUSAN L DAVIS RN DIRECTOR, PRESIDENT/CEO	(i)	799,161	1,277,731	333,884	15,900	21,118	2,447,794	0
	(ii)	0	0	0	0	0	0	0
1CAROL C WHITTINGTON FORMER OFFICER (END 6/2015)	(i)	0	0	0	0	0	0	0
	(ii)	336,075	422,641	102,996	17,225	23,459	902,396	0
2DENISE BARTON FORMER KEY EMPLOYEE (END 12/2015)	(i)	0	0	339,525	577	8,563	348,665	0
	(ii)	0	0	0	0	0	0	0
3C SUSAN CORNEJO CHIEF FINANCIAL OFFICER - SHHS	(i)	0	0	0	0	0	0	0
	(ii)	396,208	240,062	71,589	14,575	18,833	741,267	0
4KERRY EATON CHIEF OPERATING OFFICER	(i)	453,001	353,042	97,774	17,225	19,393	940,435	0
	(ii)	0	0	0	0	0	0	0
5KAREN EMMANUEL GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	298,662	134,306	69,169	17,225	9,643	529,005	0
6ROGER HALL PRESIDENT - SHHEC & SHHG	(i)	340,660	175,776	171,976	15,900	18,719	723,031	71,644
	(ii)	0	0	0	0	0	0	0
7JOHN HALSTEAD CHIEF MISSION INTERGRATION OFFICER	(i)	141,001	75,479	16,229	2,900	12,943	248,552	0
	(ii)	0	0	0	0	0	0	0
8PETER JENNINGS CHIEF MEDICAL OFFICER (START 7/2016)	(i)	144,679	0	0	0	0	144,679	0
	(ii)	0	0	0	0	0	0	0
9GARY PABLO MD CMO, SHHEC & SHHG	(i)	380,962	79,866	40,047	17,225	25,712	543,812	0
	(ii)	0	0	0	0	0	0	0
10ROGER A POITRAS CHIEF STRATEGY OFFICER	(i)	325,216	213,423	53,184	14,575	23,605	630,003	0
	(ii)	0	0	0	0	0	0	0
11DAVID G POWELL CHIEF RESOURCE OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	274,873	82,086	2,576	17,225	16,503	393,263	0
12JOE H STOVALL III PRESIDENT - SHHP	(i)	394,864	274,796	75,588	14,575	20,248	780,071	0
	(ii)	0	0	0	0	0	0	0
13 MORRIS SIMHACHALAM MD CMO	(i)	448,200	28,432	4,269	17,225	31,102	529,228	0
	(ii)	0	0	0	0	0	0	0
14MARIUS PETRUC MD FORMER KEY EMPLOYEE (END 5/2015)	(i)	0	0	111,872	0	3,119	114,991	0
	(ii)	0	0	0	0	0	0	0
15MICHELLE ADAMOLEKUN VP HR-MINISTRY MKT GULF COAST-JAX-BIR	(i)	0	0	0	0	0	0	0
	(ii)	254,379	117,659	46,791	14,575	5,651	439,055	0
16NINA JEFFORDS CNO - GULF COAST HEALTH SYSTEM	(i)	197,047	45,482	39,845	14,515	9,628	306,517	0
	(ii)	0	0	0	0	0	0	0
17BOB MURPHY PRESIDENT-GULF COAST MEDICAL GROUP (START 8/2016)	(i)	114,891	44,543	2,298	2,954	7,583	172,269	0
	(ii)	0	0	0	0	0	0	0
18DOUGLAS A ROSS SVP CLINICAL INTEGRATION	(i)	519,212	402,928	104,566	14,575	26,076	1,067,357	0
	(ii)	0	0	0	0	0	0	0
19TERESA D SMITH COO	(i)	187,658	44,570	19,146	11,953	9,468	272,795	0
	(ii)	0	0	0	0	0	0	0

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
21 AMY D WILSON CNO (END 1/2017)	(I)	245,728	56,852	17,031	14,575	17,438	351,624	0
	(II)	0	0	0	0	0	0	0
1 SAMUEL D CRITIDES MD PHYSICIAN	(I)	586,181	390,775	3,622	13,250	41,002	1,034,830	0
	(II)	0	0	0	0	0	0	0
2 LINCOLN JIMENEZ MD PHYSICIAN	(I)	773,985	266,398	1,540	13,250	32,999	1,088,172	0
	(II)	0	0	0	0	0	0	0
3 KURT L MORRISON DO PHYSICIAN	(I)	336,265	670,242	2,580	14,575	32,048	1,055,710	0
	(II)	0	0	0	0	0	0	0
4 PAUL A TAMBURRO MD PHYSICIAN	(I)	365,682	598,956	2,622	14,575	35,556	1,017,391	0
	(II)	0	0	0	0	0	0	0
5 CHARLES L WOLFF MD PHYSICIAN	(I)	606,475	731,534	1,572	5,300	32,425	1,377,306	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CNNM LLC - RICHARD BAKER	A BOARD MEMBER AT SHHS IS AN OWNER	296,972	BUILDING LEASE		No

Part V Supplemental Information

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

Return Reference	Explanation
Schedule L, Part IV BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	ALL TRANSACTIONS REPORTED ON PART IV ARE REPORTED AT ARMS-LENGTH FOR FAIR MARKET VALUE

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SCHEDULE N (Form 990 or 990-EZ)

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 31 or 32; or Form 990-EZ, line 36.
▶ Attach certified copies of any articles of dissolution, resolutions, or plans.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule N (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I **Liquidation, Termination, or Dissolution.** Complete this part if the organization answered "Yes" on Form 990, Part IV, line 31, or Form 990-EZ, line 36. Part I can be duplicated if additional space is needed.

1	(a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or typeof entity

			Yes	No
2	Did or will any officer, director, trustee, or key employee of the organization			
a	Become a director or trustee of a successor or transferee organization?	2a		
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b		
c	Become a direct or indirect owner of a successor or transferee organization?	2c		
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution?	2d		
e	If the organization answered "Yes" to any of the questions on lines 2a through 2d, provide the name of the person involved and explain in Part III ▶			

Part I **Liquidation, Termination, or Dissolution** (continued)

Note. If the organization distributed all of its assets during the tax year, then Form 990, Part X, column (B), line 16 (Total assets), and line 26 (Total liabilities), should equal -0-

			Yes	No
3	Did the organization distribute its assets in accordance with its governing instrument(s)? If "No," describe in Part III	3		
4a	Is the organization required to notify the attorney general or other appropriate state official of its intent to dissolve, liquidate, or terminate?	4a		
b	If "Yes," did the organization provide such notice?	4b		
5	Did the organization discharge or pay all of its liabilities in accordance with state laws?	5		
6a	Did the organization have any tax-exempt bonds outstanding during the year?	6a		
b	If "Yes" on line 6a, did the organization discharge or defease all of its tax-exempt bond liabilities during the tax year in accordance with the Internal Revenue Code and state laws?	6b		

c If "Yes" on line 6b, describe in Part III how the organization defeased or otherwise settled these liabilities If "No" on line 6b, explain in Part III

Part II **Sale, Exchange, Disposition, or Other Transfer of More Than 25% of the Organization's Assets.**

Complete this part if the organization answered "Yes" on Form 990, Part IV, line 32, or Form 990-EZ, line 36. Part II can be duplicated if additional space is needed.

1 (a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC section of recipient(s) (if tax-exempt) or type of entity
CASH ACCOUNTS TRANSFERRED TO PARENT'S BALANCE SHEET	07-01-2016	188,141,215	FMV	45-3358926	ASCENSION HEALTH ALLIANCE POBOX 45998 ST LOUIS, MO 63145	501(C)(3)

			Yes	No
2	Did or will any officer, director, trustee, or key employee of the organization			
a	Become a director or trustee of a successor or transferee organization?	2a		No
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b		No
c	Become a direct or indirect owner of a successor or transferee organization?	2c		No
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's significant disposition of assets?	2d		No

e If the organization answered "Yes" to any of the questions on lines 2a through 2d, provide the name of the person involved and explain in Part III ▶

Part III **Supplemental Information.**

Provide the information required by Part I, lines 2e and 6c, and Part II, line 2e. Also complete this part to provide any additional information.

Return Reference	Explanation
Schedule N, Part II CASH TRANSFER	SACRED HEART HEALTH SYSTEMS, INC TRANSFERRED ITS BEGINNING HSD CASH BALANCES TO ASCENSION HEALTH ALLIANCE (45-3358926) AS OF JULY 1, 2016

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15a PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	THE PROCESS OF DETERMINING THE AMOUNT OF COMPENSATION PAID TO THE ORGANIZATION'S CEO, EXEC UTIVE DIRECTOR OR TOP MANAGEMENT OFFICIAL IS PERFORMED BY ASCENSION HEALTH AND ITS SUBSIDI ARY ORGANIZATIONS ASCENSION HEALTH IS THE NATIONAL HEALTH SYSTEM PARENT THE PROCESS INCL UDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE EXECUTIVE COMPENSATION COMMITTEE REV IEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR OR TOP MANAGEMENT OFFICIAL'S SALARY WAS COMPARED TO INDIVIDUALS A T OTHER ORGANIZATIONS IN THE AREA WHO HOLD THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE MINUTES THE INDIVI DUAL WAS NOT PRESENT WHEN THEIR COMPENSATION WAS DECIDED

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 6 Classes of members or stockholders	Sacred Heart Health System, Inc has a single corporate member, Gulf Coast Health System

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7a Members or stockholders electing members of governing body	Sacred Heart Health System, Inc has a single corporate member, Gulf Coast Health System, who has the ability to elect members to the governing body of Sacred Heart Health System, Inc

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders	Ascension Health has designed a system authority matrix which assigns authority for key de cisions that are necessary in the operation of the system Specific areas that are identif ied in the authority matrix are new organizations and major transactions, governing docum ents, appointments/removals, evaluation, debt limits, strategic and financial plans, asset s, system policies and procedures These areas are subject to certain levels of approval b y Ascension per the system authority matrix

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 11b Review of form 990 by governing body	DURING THE RETURN PREPARATION PROCESS, THE TAX DEPARTMENT WORKS WITH OTHER FUNCTIONAL AREAS INCLUDING FINANCE, ACCOUNTING, TREASURY, LEGAL, HUMAN RESOURCES, AND CORPORATE COMPLIANCE FOR ADVICE, INFORMATION AND ASSISTANCE IN ORDER TO PREPARE A COMPLETE AND ACCURATE RETURN UPON COMPLETION, THE FORM 990 IS REVIEWED BY THE ORGANIZATION'S INTERNAL TAX DEPARTMENT WHICH CONSISTS OF ATTORNEYS AND CPAS A COMPLETE FINAL COPY OF THE RETURN IS PROVIDED TO THE ORGANIZATION'S PRESIDENT, FINANCIAL OFFICER, AND/OR OTHER KEY OFFICERS IN LIEU OF THE FULL BOARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 12c Conflict of interest policy	The organization regularly and consistently monitors and enforces compliance with the conf lict of interest policy in that any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, mu st disclose the existence of the financial interest and be given the opportunity to disclo se all material facts to the directors and members of the committees with governing board delegated powers considering the proposed transaction or arrangement The remaining indivi duals on the governing board or committee will decide if conflicts of interest exist Each director, principal officer and member of a committee with governing board delegated powe rs annually signs a statement which affirms such person has received a copy of the conflic ts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the organization is charitable and in order to maintain its f ederal tax exemption it must engage primarily in activities which accomplish its tax-exemp t purpose

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 15b Process to establish compensation of other employees	IN DETERMINING COMPENSATION OF THE ORGANIZATION'S OFFICERS AND KEY EMPLOYEES, THE PROCESS PERFORMED INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND C ONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE EXECUTIVE COMPENSATION COMMITTEE REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE OFFICERS' SALARIES WERE COMPARED TO INDIVIDUALS AT OTHER ORGANIZATIONS IN THE AREA WHO HOL D THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE MINUTES INDIVIDUALS WERE NOT PRESENT WHEN THEIR COMPENSATIO N WAS DECIDED

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Line 19 Required documents available to the public	The organization will provide any documents open to public inspection upon request

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VIII, Line 11d Other Miscellaneous Revenue	CONTRACT SERVICES - Total Revenue 405063, Related or Exempt Function Revenue , Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 405063, RE SEARCH SPONSORSHIP - Total Revenue 736737, Related or Exempt Function Revenue , Unrelate d Business Revenue 719534, Revenue Excluded from Tax Under Sections 512, 513, or 514 172 03, INCENTIVE REVENUE - Total Revenue 2201875, Related or Exempt Function Revenue , Unre lated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 22018 75, MANAGEMENT FEES - Total Revenue 500000, Related or Exempt Function Revenue , Unrelat ed Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 500000, OTHER MISCELLANEOUS REVENUE - Total Revenue 2928372, Related or Exempt Function Revenue , Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 2928372,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, Line 9 Other changes in net assets or fund balances	FAS 158 PENSION - -6575315, TRANSFER TO/FROM AFFILIATES - -80056267, Capital Distribution from JV - 447179, TRANSFER TO ALPHA FUND AS OF 7/1/2016 - -188141215,

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XII, Line 2c oversight of audit or selection committee	Sacred Heart Health System, Inc is included in the consolidated financial statements of A scension Health Alliance The Finance and Audit committee of Ascension Health Alliance's B oard assumes responsibility for the consolidated organization as a whole

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XII, Line 2b Audited Financial Statements	The activity of Sacred Heart Health System, Inc is reported in the consolidated financial statements of Ascension Health Alliance No individual audit of Sacred Heart Health Syste m, Inc is completed Therefore, the attached audited financial statements are of Ascensio n Health Alliance and Affiliates, which include the activity of Sacred Heart Health System , Inc

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No 1545-0047

2016

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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) Northwest Florida Health Partners LLC 5151 N 9th Avenue Pensacola, FL 32504 59-3519881	Health Partners	FL	2,137,650	0	Sacred Heart Health System Inc

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.

See Additional Data Table

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) INTERVENTIONAL REHABILITATION CENTER LLC 1549 AIRPORT BOULEVARD STE 420 PENSACOLA, FL 32503 59-3673361	MEDICAL SERVICES	FL	NA	N/A								
(2) PET LLC 5149 NORTH 9TH AVENUE SUITE 124 PENSACOLA, FL 32504 59-3788701	MEDICAL SERVICES	FL	NA	N/A								
(3) ENDOSCOPY GROUP LLC 4810 NORTH DAVIS HIGHWAY PENSACOLA, FL 32503 59-3519881	MEDICAL SERVICES	FL	NA	N/A								
(4) SOUTH COAST REAL ESTATE VENTURE LLC 5907 HIGHWAY 90 MOSS POINT, MS 39563 45-5599047	OWN REAL ESTATE FOR A PHYSICIAN OFFICE BUILDING	MS	NA	N/A								
(5) EMERALD COAST RADIATION ONCOLOGY CENTER LLC 5151 NORTH 9TH AVENUE PENSACOLA, FL 32504 68-0507481	DORMANT	FL	NA	Related								

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1)PROVIDENCE PARK PO BOX 850429 MOBILE, AL 36685 63-0886846	REAL ESTATE	AL	NA	C Corporation				Yes	
(2)MISSISSIPPI PROVIDENCE HEALTHCARE SERVICES INC 6801 AIRPORT BLVD MOBILE, AL 36608 46-1130426	HEALTHCARE SERVICES	MS	NA	C Corporation				Yes	
(3)GULF COAST DIVERSIFIED INC 5154 NORTH 9TH AVENUE PENSACOLA, FL 32507 59-2432798	INVESTMENT	FL	SACRED HEART HEALTH SYSTEM INC	C Corporation	3,381,448	19,112,206	100 %	Yes	

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

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

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

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

See Additional Data Table

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

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

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

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

Part VII **Supplemental Information**

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

Additional Data

Software ID: 16000421
Software Version: 2016v3.0
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) PO BOX 45998 ST LOUIS, MO 63145 45-3358926	NATIONAL HEALTH SYSTEM	MO	501(c)(3)	Type I	NA		No
(1) PO BOX 45998 ST LOUIS, MO 63145 31-1662309	NATIONAL HEALTH SYSTEM	MO	501(c)(3)	Type I	ASCENSION HEALTH ALLIANCE		No
(2) 6801 AIRPORT BLVD MOBILE, AL 36608 63-0934712	HEALTH SYSTEM	AL	501(c)(3)	Type III-FI	ASCENSION HEALTH		No
(3) 6801 AIRPORT BLVD MOBILE, AL 36608 63-0288861	HOSPITAL	AL	501(c)(3)	3	GULF COAST HEALTH SYSTEM	Yes	
(4) 6801 AIRPORT BLVD MOBILE, AL 36608 63-0915493	SUPPORT PROVIDENCE HOSPITAL	AL	501(c)(3)	7	GULF COAST HEALTH SYSTEM	Yes	
(5) 6801 AIRPORT BLVD MOBILE, AL 36608 63-0937704	SUPPORT PROVIDENCE HOSPITAL	AL	501(c)(3)	Type II	GULF COAST HEALTH SYSTEM	Yes	
(6) 6801 AIRPORT BLVD MOBILE, AL 36608 63-0914564	SUPPORT PROVIDENCE HOSPITAL	AL	501(c)(2)		GULF COAST HEALTH SYSTEM	Yes	
(7) 5151 N 9TH AVENUE PENSACOLA, FL 32504 59-3620346	NURSING HOME	FL	501(c)(3)	10	SACRED HEART HEALTH SYSTEM	Yes	
(8) 5151 N 9TH AVENUE PENSACOLA, FL 32504 57-1183283	INVESTMENT	FL	501(c)(3)	Type I	SACRED HEART HEALTH SYSTEM	Yes	
(9) 5151 N 9TH AVENUE PENSACOLA, FL 32504 59-2436597	FOUNDATION	FL	501(c)(3)	7	SACRED HEART HEALTH SYSTEM	Yes	
(10) 6801 AIRPORT BLVD MOBILE, AL 36608 46-2847744	SUPPORT PROVIDENCE HOSPITAL	AL	501(c)(3)	10	GULF COAST HEALTH SYSTEM	Yes	

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

	(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	SACRED HEART FOUNDATION	S	2,888,405	FAIR MARKET VALUE
(1)	SACRED HEART FOUNDATION	L	57,200	FAIR MARKET VALUE
(2)	SACRED HEART FOUNDATION	M	291,041	FAIR MARKET VALUE
(3)	SACRED HEART FOUNDATION	J	103,808	FAIR MARKET VALUE
(4)	HAVEN OF OUR LADY OF PEACE INC	L	864,979	FAIR MARKET VALUE
(5)	HAVEN OF OUR LADY OF PEACE INC	M	9,335,381	FAIR MARKET VALUE
(6)	HAVEN OF OUR LADY OF PEACE INC	P	610,727	FAIR MARKET VALUE
(7)	Sacred Heart Foundation	C	600,870	FAIR MARKET VALUE