

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
2017
Open to Public Inspection

A For the 2017 calendar year, or tax year beginning 07-01-2017, and ending 06-30-2018

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

C Name of organization
Fallon Medical Complex Inc

Doing business as
See Schedule O

Number and street (or P O box if mail is not delivered to street address) Room/suite
PO Box 820

City or town, state or province, country, and ZIP or foreign postal code
Baker, MT 59313

F Name and address of principal officer
David Espeland
PO Box 820
Baker, MT 59313

D Employer identification number
36-3808993

E Telephone number
(406) 778-3331

G Gross receipts \$ 11,271,610

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

J Website: ▶ www.fallonmedical.org

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 ▶

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1991 **M** State of legal domicile MT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Providing healthcare services

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)	7
4 Number of independent voting members of the governing body (Part VI, line 1b)	7
5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	126
6 Total number of volunteers (estimate if necessary)	74
7a Total unrelated business revenue from Part VIII, column (C), line 12	0
7b Net unrelated business taxable income from Form 990-T, line 34	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	444,757	262,488
9 Program service revenue (Part VIII, line 2g)	10,417,222	10,987,374
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	844	483
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,221,485	4,120
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,084,308	11,254,465
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	33,727
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,049,343	4,678,084
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	5,567,649	5,813,717
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	10,616,992	10,525,528
19 Revenue less expenses Subtract line 18 from line 12	1,467,316	728,937

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	17,585,130	18,158,773
21 Total liabilities (Part X, line 26)	1,004,503	801,139
22 Net assets or fund balances Subtract line 21 from line 20	16,580,627	17,357,634

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 2019-03-08
David Espeland CEO
Type or print name and title _____

Paid Preparer Use Only

Print/Type preparer's name Kim C Hunwardsen	Preparer's signature Kim C Hunwardsen	Date 2019-03-08	Check <input type="checkbox"/> if self-employed	PTIN P00484560
Firm's name ▶ Eide Bailly LLP			Firm's EIN ▶ 45-0250958	
Firm's address ▶ 800 Nicollet Mall Ste 1300 Minneapolis, MN 554027033			Phone no (612) 253-6500	

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
 Fallon Medical Complex, in its innovative pursuit of Friends Healing Friends, provides comfort, compassion, and excellence in the promotion of quality of life to all individuals

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 \$ 7,904,475 including grants of \$ 33,727) (Revenue \$ 9,752,849)
 See Additional Data

4b (Code) (Expenses \$ 1,616,976 including grants of \$) (Revenue \$ 1,234,525)
 See Additional Data

4c (Code) (Expenses \$ 11,781 including grants of \$) (Revenue \$)
 See Additional Data

4d Other program services (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 9,533,232

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)? <i>If "Yes," complete Schedule A</i>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		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? <i>If "Yes," complete Schedule C, Part II</i>	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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</i>		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? <i>If "Yes," complete Schedule D, Part II</i>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>	Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>	Yes	
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? <i>If "Yes," complete Schedule D, Part IX</i>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)		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? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include 20a, 20b, 21, 22, 23, 24a, 24b, 24c, 24d, 25a, 25b, 26, 27, 28a, 28b, 28c, 29, 30, 31, 32, 33, 34, 35a, 35b, 36, 37, 38.

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

Table with columns for question ID, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited tax shelter transactions, deductible contributions, and 501(c)(7), (12), and (29) organizations.

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (Voting members), 1b (Independent members), 2 (Family/Business relationships), 3 (Delegation of control), 4 (Changes to governing documents), 5 (Asset diversion), 6 (Members/stockholders), 7a (Power to elect/appoint), 7b (Governance decisions), 8 (Meeting documentation), 8a (Governing body), 8b (Committee authority), 9 (Officer/director/trustee/employee reachability).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (Local chapters), 10b (Policies for chapters), 11a (Form 990 distribution), 11b (Review process), 12a (Conflict of interest policy), 12b (Disclosure of interests), 12c (Compliance monitoring), 13 (Whistleblower policy), 14 (Document retention), 15a (CEO compensation review), 15b (Other officer compensation review), 16a (Investment in joint ventures), 16b (Participation in joint ventures).

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 17 (States for Form 990), 18 (Public inspection methods), 19 (Governing documents availability), 20 (Books and records location).

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			
(1) Betty Mueller President	0 50 0 00	X		X				0	0	0
(2) Doug Varner Vice President	0 50 0 50	X		X				0	0	0
(3) Richard Menger Secretary	0 50 0 00	X		X				0	0	0
(4) Merri Burns Trustee	0 50 0 00	X						0	0	0
(5) Shane Bettenhausen Trustee	0 50 0 00	X						0	0	0
(6) Bryant Steen Trustee	0 50 0 00	X						0	0	0
(7) Alice Key Schweigert Trustee	0 50 0 00	X						0	0	0
(8) David Espeland Chief Executive Officer	40 00 0 00			X				127,733	0	21,281
(9) Marjorie Losing Chief Financial Officer	40 00 0 00			X				76,314	0	1,102
(10) Dominick Trivisonno MD	40 00 0 00					X		212,243	0	19,946
(11) Leanne R Breihahn NP	40 00 0 00					X		130,623	0	3,457
(12) Travis Allen PA	40 00 0 00					X		133,553	0	18,925
(13) George Ceremuga DO	40 00 0 00					X		126,981	0	1,192
(14) Susan G Lunde DON	40 00 0 00					X		100,100	0	12,488

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	19,431			
	e Government grants (contributions)	1e	146,051			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	97,006			
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f		262,488			
Program Service Revenue		Business Code				
	2a Net Patient Service Revenue	622110	9,849,192	9,849,192		
	b County Subsidy	900099	938,738	938,738		
	c Miscellaneous	900099	112,126	112,126		
	d Meals on Wheels	722212	60,974	60,974		
	e Cafeteria	722212	26,344	26,344		
	f All other program service revenue					
g Total. Add lines 2a-2f		10,987,374				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		483		483	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	(i) Real				
		21,265				
		b Less rental expenses	17,145			
		c Rental income or (loss)	4,120			
	d Net rental income or (loss)		4,120		4,120	
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	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						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See Instructions		11,254,465	10,987,374	0	4,603	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	33,727	33,727		
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	233,848		233,848	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	18,438	18,438		
7 Other salaries and wages	3,659,540	3,250,901	408,639	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	48,536	43,816	4,720	
9 Other employee benefits	366,285	314,305	51,980	
10 Payroll taxes	351,437	294,645	56,792	
11 Fees for services (non-employees)				
a Management				
b Legal	675		675	
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	2,897,770	2,854,095	43,675	
12 Advertising and promotion	22,846	18,795	4,051	
13 Office expenses	231,589	207,531	24,058	
14 Information technology				
15 Royalties				
16 Occupancy	166,752	166,752		
17 Travel	3,367	2,902	465	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	8,414	6,509	1,905	
20 Interest	648	648		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,095,518	1,040,742	54,776	
23 Insurance	115,137	55,144	59,993	
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	560,052	560,052		
b Equipment Rental	451,297	418,307	32,990	
c Bad Debt	215,453	215,453		
d Taxes & Licenses	26,177	23,895	2,282	
e All other expenses	18,022	6,575	11,447	
25 Total functional expenses. Add lines 1 through 24e	10,525,528	9,533,232	992,296	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing		1	
	2 Savings and temporary cash investments	3,382,318	2	5,639,846
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,477,017	4	1,399,100
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	202,812	8	205,808
	9 Prepaid expenses and deferred charges	64,333	9	125,510
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	21,113,265		
	b Less accumulated depreciation	11,607,118		
		10,094,358	10c	9,506,147
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11	1,214,292	13	1,262,362
	14 Intangible assets		14	
15 Other assets See Part IV, line 11	1,150,000	15	20,000	
16 Total assets. Add lines 1 through 15 (must equal line 34)	17,585,130	16	18,158,773	
Liabilities	17 Accounts payable and accrued expenses	458,348	17	684,107
	18 Grants payable		18	
	19 Deferred revenue	157,968	19	50,537
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D	1,940	21	498
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	16,202	23	6,059
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	370,045	25	59,938
	26 Total liabilities. Add lines 17 through 25	1,004,503	26	801,139
Net Assets or Fund Balances	27 Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. Unrestricted net assets	16,248,938	27	17,006,251
	28 Temporarily restricted net assets	148,640	28	168,334
	29 Permanently restricted net assets	183,049	29	183,049
	30 Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. 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	16,580,627	33	17,357,634
	34 Total liabilities and net assets/fund balances	17,585,130	34	18,158,773

Part XI Reconciliation 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	11,254,465
2	Total expenses (must equal Part IX, column (A), line 25)	2	10,525,528
3	Revenue less expenses Subtract line 2 from line 1	3	728,937
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	16,580,627
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	48,070
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	17,357,634

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:

Software Version:

EIN: 36-3808993

Name: Fallon Medical Complex Inc

Form 990 (2017)

Form 990, Part III, Line 4a:

Fallon Medical Complex (FMC) provides quality health care regardless of race, creed, sex, national origin, handicap, age, or ability to pay. Although reimbursement for services rendered is critical to the operation of FMC, it is recognized that not all individuals possess the ability to purchase these essential services. It is the FMC's mission to serve the surrounding area by providing health care services to all community members. FMC provides medical services to individuals who are determined unable to purchase such services through FMC's Financial Assistance policy and guidelines. In addition to free and/or subsidized care, services are also provided at below cost rates to persons covered by government programs. Recognizing its mission to the community, services are provided to both Medicare and Medicaid patients. The unreimbursed value of providing care to these patients, based on established rates is \$78,000 for the year ended June 30, 2018. FMC's Critical Access Hospital provides 24 hour x 7 days a week Emergency Room services, observation, Acute Care, Swing Bed services and onsite ancillary lab and diagnostic imaging services. During fiscal year ended June 30, 2018, FMC provided over 298 days of hospital services, 5,804 days of swing bed care, 992 ER visits, and over 7,600 outpatient visits.

Form 990, Part III, Line 4b:

FMC Community Clinic (Rural Health Clinic) operates under the same mission as FMC by providing family health care to over 8,200 patient visits per year. The four providers (one physician and three mid-levels) also provide ER coverage 24 hours, 7 days a week.

Form 990, Part III, Line 4c:

One of FMC's operating philosophies states that education programs are necessary to enhance the competence of personnel in the healthcare system as well as to assist in the attainment of both personal and organizational goals. To this end, not only does the organization routinely budget \$35,000 or more in continuing education for its employees, it also provides job shadowing to area students (typically 3-5 students per year) who may be interested in a healthcare career, in addition to offering routine Certified Nursing Assistant training programs (to about 5-10 prospective aides per year). FMC also hosts numerous college students seeking careers as doctors (1-2 per year), physician assistants (1-2 per year), and various other disciplines, such as radiology & laboratory technology and physical therapy. FMC further believes that it is its responsibility to take a leadership role in informing the public about healthcare subjects of relevance or interest through community education. This objective is supported through a number of channels, which includes routine "Lunch and Learn" sessions provided by medical professionals (about 6 times per year), weekly public service announcements on the local radio station, and an annual health fair which is attended by people from all over the service area.

SCHEDULE A
(Form 990 or 990EZ)

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.

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Fallon Medical Complex Inc

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

Employer identification number

36-3808993

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ))
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 11 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 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?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

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

(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 6, column (f) divided by line 11, column (f))	14	
15	Public support percentage for 2016 Schedule A, Part II, line 14	15	

- 16a 33 1/3% support test—2017.** 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—2016.** 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—2017.** 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—2016.** 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 in) ►		(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2	Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3	Gross receipts from activities that are not an unrelated trade or business under section 513						
4	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5	The value of services or facilities furnished by a governmental unit to the organization without charge						
6	Total. Add lines 1 through 5						
7a	Amounts included on lines 1, 2, and 3 received from disqualified persons						
b	Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c	Add lines 7a and 7b						
8	Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►		(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2016 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from 2016 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2017. 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—2016. 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?		
b	A family member of a person described in (a) above?		
c	A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		

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? <i>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.</i>		
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? <i>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.</i>		

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)? <i>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).</i>		

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?		
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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

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	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2	Activities Test Answer (a) and (b) below.		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>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.</i>	Yes	No
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? <i>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.</i>		
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? <i>Provide details in Part VI.</i>		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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

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

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	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	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

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 2017 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-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013.			
c From 2014.			
d From 2015.			
e From 2016.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2017 from Section D, line 7			
\$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2017, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2017 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2018. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2013.			
b Excess from 2014.			
c Excess from 2015.			
d Excess from 2016.			
e Excess from 2017.			

Additional Data

Software ID:

Software Version:

EIN: 36-3808993

Name: Fallon Medical Complex Inc

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

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

2017
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 Fallon Medical Complex Inc	Employer identification number 36-3808993
--------------------------------------------------------	----------------------------------------------

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 (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ _____
- 3 Volunteer hours for political campaign activities (see instructions) _____

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-
1				
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

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

- 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-
- 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) 2014	(b) 2015	(c) 2016	(d) 2017	(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)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?	Yes		122
j Total Add lines 1c through 1i			122
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
Part II-B, Line 1	Fallon Medical Complex reimburses certain professional membership dues of employees A portion of such membership dues are used by the professional association for lobbying activities FMC also pays for dues to the Montana Hospital Association and Montana Health Care Association and a percentage of those dues are also used by the professional association for lobbying activities

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
2017
Open to Public Inspection

Name of the organization
Fallon Medical Complex Inc

Employer identification number
36-3808993

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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 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	243,715	243,034	230,502	208,676	190,592
b Contributions			10,000	21,794	20,000
c Net investment earnings, gains, and losses	703	681	2,532	1,032	1,084
d Grants or scholarships				1,000	3,000
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	244,418	243,715	243,034	230,502	208,676

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶ 17 200 %
 - b** Permanent endowment ▶ 74 890 %
 - c** Temporarily restricted endowment ▶ 7 910 %
- 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		96,521		96,521
b Buildings		17,389,206	8,879,445	8,509,761
c Leasehold improvements				
d Equipment		3,039,192	2,560,898	478,294
e Other		588,346	166,775	421,571
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				9,506,147

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) Investment in Foundation	1,262,362	C
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)	1,262,362	

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
Due to County	59,938
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	59,938

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	11,104,227
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	-167,383	
e	Add lines 2a through 2d		2e	-167,383
3	Subtract line 2e from line 1		3	11,271,610
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	-17,145	
c	Add lines 4a and 4b		4c	-17,145
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	11,254,465

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	10,327,220
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	17,145	
e	Add lines 2a through 2d		2e	17,145
3	Subtract line 2e from line 1		3	10,310,075
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	215,453	
c	Add lines 4a and 4b		4c	215,453
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	10,525,528

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:

Software Version:

EIN: 36-3808993

Name: Fallon Medical Complex Inc

Supplemental Information

Return Reference	Explanation
Part IV, Line 2b	The complex acts as a custodian for the funds of some residents. Resident funds totaled \$498 and \$1,940 at June 30, 2018 and 2017, respectively.

Supplemental Information

Return Reference	Explanation
Part V, Line 4	Friends of FMC Foundation, Inc holds the permanently restricted funds to provide a source of income to be used for Long Term Care, and/or equipment purchases on behalf of Fallon Medical Complex, and for scholarships The principal has been invested and the generated income (temporarily restricted) is used for said purpose

Supplemental Information

Return Reference	Explanation
Part X, Line 2	<p>The Complex is organized as a Montana nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Complex is also exempt from state income taxes. The Complex is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Complex is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Complex has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Complex believes it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Complex would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.</p>

Supplemental Information

Return Reference	Explanation
Part XI, Line 2d - Other Adjustments	Equity in Earnings of Affiliate recorded in revenue for financial statements 48,070 Provision for Bad Debts -215,453

Supplemental Information

Return Reference	Explanation
Part XI, Line 4b - Other Adjustments	Rental Expenses recorded in revenue for Form 990 -17,145

Supplemental Information

Return Reference	Explanation
Part XII, Line 2d - Other Adjustments	Rental Expenses recorded in revenue for Form 990 17,145

Supplemental Information

Return Reference	Explanation
Part XII, Line 4b - Other Adjustments	Provision for Bad Debts 215,453

SCHEDULE H (Form 990)
 Department of the Treasury
 Internal Revenue Service
Name of the organization
 Fallon Medical Complex Inc

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.**

Employer identification number
 36-3808993

OMB No 1545-0047
2017
Open to Public Inspection

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 <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b Yes	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	No
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	
6a Did the organization prepare a community benefit report during the tax year?	6a	No
b If "Yes," did the organization make it available to the public?	6b	

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)		28	79,000		79,000	0.770 %
b Medicaid (from Worksheet 3, column a)			1,086,332	713,786	372,546	3.610 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			19,038	9,200	9,838	0.100 %
d Total Financial Assistance and Means-Tested Government Programs		28	1,184,370	722,986	461,384	4.480 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			124,301	53,587	70,714	0.690 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			2,717,968	1,547,146	1,170,822	11.360 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			1,234		1,234	0.010 %
j Total Other Benefits			2,843,503	1,600,733	1,242,770	12.060 %
k Total Add lines 7d and 7j		28	4,027,873	2,323,719	1,704,154	16.540 %

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	1		1,255		1,255	0.010 %
2 Economic development	1		35		35	0 %
3 Community support	3		1,750		1,750	0.020 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	1		470		470	0 %
7 Community health improvement advocacy			147,585	60,974	86,611	0.840 %
8 Workforce development	2		1,113		1,113	0.010 %
9 Other						
10 Total	8		152,208	60,974	91,234	0.880 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		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.		
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.		
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	3,506,467
6 Enter Medicare allowable costs of care relating to payments on line 5.	6	3,534,274
7 Subtract line 6 from line 5. This is the surplus (or shortfall).	7	-27,807
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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> 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

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

See Additional Data Table	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

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)
 Fallon Medical Complex Inc

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): _____ 1

		Yes	No
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		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		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 If "Yes," indicate what the CHNA report describes (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The significant health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j	<input type="checkbox"/> Other (describe in Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA <u>20 15</u>		
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge 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	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		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		No
7	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>http //www fallonmedical org/</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d	<input checked="" type="checkbox"/> Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	Yes	
9	Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 15</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website? If "Yes" (list url) <u>http //www fallonmedical org/</u>	Yes	
a			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
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)?		No
12b	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
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)

Fallon Medical Complex Inc

Name of hospital facility or letter of facility reporting group _____

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP	Yes	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150 000000000000</u> % and FPG family income limit for eligibility for discounted care of <u>250 000000000000</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance discount		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	Yes	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>www fallonmedical org</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>www fallonmedical org</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>www fallonmedical org</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Fallon Medical Complex Inc

Name of hospital facility or letter of facility reporting group

- 17** Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?
- 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?
- 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

	Yes	No
17	Yes	
19		No

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?
- 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)

21	Yes	
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Part V Facility Information *(continued)*

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

Fallon Medical Complex Inc

Name of hospital facility or letter of facility reporting group _____

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C

	Yes	No
23		No
24		No

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? 2

Name and address	Type of Facility (describe)
1 1 - Community Clinic 202 South 4th Street West Baker, MT 59313	Outpatient Clinic - RHC
2 2 - Wibaux Clinic 710 Drake Street Wibaux, MT 59353	Outpatient Clinic
3	
4	
5	
6	
7	
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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
Part I, Line 3c	Anyone at or below 150% qualifies for free care Anyone who does not qualify for free care, with income between 151% and 250% qualifies for discounted care Because the test of discounted care considers net assets and the patient's medical bills are included in liabilities, a medically indigent could qualify for discounted care under this program

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 7	Charity care expense was converted to cost based on an overall cost-to-charge ratio addressing all patient segments. Community health improvement services and community benefit operations and cash and in-kind contributions to community groups are based on costs recorded in the general ledger and estimated costs. Medicaid, Subsidized health services, and costs of other means-tested government programs are determined based on costing methods used to prepare the cost report.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Ln 7 Col(f)	The amount of bad debt expense removed from the denominator of the calculation was \$215,453

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
<p>Part II, Community Building Activities</p>	<p>FMC participates in a number of community building activities to improve our community. Our Foundation Coordinator has been a member of the local housing board, searching for ways to address our community's chronic housing shortage by facilitating the construction of new housing and the renovation of existing housing. In addition, FMC manages a senior independent living complex for Fallon County. Although the county does reimburse direct expenses for maintenance, one of our employees act as a "property manager," coordinating tenant turnover, fielding questions or concerns, calling for property services, etc. From an economic development standpoint, our Foundation Director has also been a board member of our local Southeastern Montana Revitalization Team which is dedicated to revitalizing the economic climate in the area. They are focused on building community infrastructure, as well as attracting new businesses and finding ways to provide housing for incoming workers and their families. In addition, in an effort to help keep local commerce alive, our Foundation Coordinator actively participates in Baker Chamber of Commerce meetings and events, including hosting their monthly meeting on a rotating basis. One of the Chamber's primary events, the Fall Festival, is coordinated by FMC staff, who also participate in the Chili Cook-off event every year. To further support the community, a number of FMC employees frequently participate in disaster preparedness meetings and events through the Fallon County Local Emergency Preparedness Committee (LEPC). This group meets regularly to discuss disaster preparedness activities, to review the response of similar groups to disasters across the nation, to determine ways to enhance the effectiveness of disaster response in our area and to conduct table top exercises that simulate potential local disasters. We have also dedicated staff time and resources to acquiring knowledge in the Hospital Emergency Incident Command System (HEICS), a nationally recognized and practice program in incident management. In an effort to assist with leadership development, two staff members routinely provide assistance with youth leadership programs. For instance, one of our Physical Therapists has acted as a 4H leader for a number of years, participating in youth developmental programs that provide hands-on learning activities to youth. In addition, our CEO provides coaching and judging for our local Business Professionals of America (BPA) chapter, which teaches basic and advanced business skills to high school students. Our CEO has also acted as a judge for local Speech and Drama events, which helps high school students gain valuable skills in public speaking and performing. FMC participates in coalition building by contributing to collaborative efforts that address health and safety issues, including LEPC and HEICS mentioned earlier, with other healthcare entities and emergency service providers. To further provide continuity across our service area, our Chief of the Medical Staff is the County Health Officer for Carter, Fallon, and Wibaux Counties, routinely attending their meeting and providing medical control and guidance on relevant issues. One of our larger efforts to assist with community health improvement is to take an active role in offering, serving and significantly subsidizing noon meals to seniors. FMC collaborates with our local Council on Aging to serve 4,186 meals each year to seniors in our facility dining room as well as an additional 2,621 meals through Meals on Wheels. This program promotes health and well-being of our seniors by providing nutritious meals to those who might otherwise not receive them, especially those who are home bound. FMC's workforce development support is largely focused on healthcare careers. We annually work with the local school system to offer "Medical Explorers," which allows students to ask medical professionals questions about their job and learn about the myriad of healthcare careers. Some years we are able to secure a patient simulator to give students a real life experience. Additionally, we allow students of all levels to request an opportunity to job shadow a healthcare professional. In the past, students have observed lab techs, radiology techs, nurses, doctors and mid-levels in their daily activities of providing care for patients. Our CEO and Foundation Director serve on two Montana healthcare-related scholarship committees. Their participation on these committees promotes healthcare-related careers by helping to fund college educations.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 2	Bad debt expense is reported as charges at gross charges recorded by the organization. Bad debts are expensed when accounts are determined uncollectible (charges less any payments or insurer discounts) and any payments toward bad debt are booked as bad debt recovery.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 3	The estimated amount of bad debt expense attributable to patients eligible under the organization's charity care policy is 8.5% (based upon US Census Bureau Quickfacts for percent of citizens below the poverty level in Fallon County). Fallon Medical Complex is estimating the amount of bad debt to be charity care based on the percentage of demographics below charity care income/asset levels. This identifies a reasonable percentage of individuals who potentially qualify for charity care but may not have applied and therefore were written off to bad debt.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 4	The footnote to the Organization's financial statements can be found on page 8 of the attached audited financial statements

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 8	Medicare allowable costs of care are based on the Medicare cost report. The Medicare cost report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services. All of the Medicare shortfall should be treated as a community benefit. The Organization treats individuals regardless of the ability to pay. Most of the Medicare shortfall comes from the rural health clinic. It is a community benefit to be able to treat all individuals at the local clinic.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 9b	Once a patient has been determined by FMC to be eligible for financial assistance, that patient shall not receive any future bills based upon undiscounted gross charges on approved account balances. Requests for financial assistance shall be processed promptly. FMC shall notify the patient in writing within 30 days of receipt of a completed application. Collection activity will be suspended while a financial assistance application is under review. Normal collection efforts will resume if the application is not returned in a timely fashion or after the write-off is complete and the patient owes a balance.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 2	<p>We have traditionally received input about unmet community health care needs from a number of sources a) citizens, board members, patients, and residents expressing an idea or a concern, b) suggestions from consultants who were hired to provide a study of our operations, c) the county or state health department providing observations or data regarding the health status of our specific population, d) staff members gleaning information from an education program or from reviewing professional journals and periodicals regarding the latest equipment or trends in patient and resident care, e) suggestions from the public posted on our website, etc We have completed a formal Community Health Services Development assessment through Montana State University, the result of which is available on our website, www.fallonmedical.org Subsequent to the CHNA, we developed a 3 year implementation plan to address the most important health needs in our community This plan is also published on our website Information from all of these sources is analyzed on a case by case basis by the department manager who would be responsible for implementing the program The manager determines the program's merit relative to our stated mission as well as what resources would be necessary to implement the program The manager submits the analysis to our internal Operational Review Committee, which looks at its impact facility-wide and its feasibility If it progresses past this committee, it is then evaluated by our management team, who analyzes the finer details Ultimately, it is discussed at the Board of Trustees level to seek their input and approval, if necessary</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 3	<p>We notify our patients of our financial assistance program through a number of methods, (1) we post the charity care policy, or a summary thereof, and financial assistance contact information in admissions areas, emergency rooms, facility website, other areas of our facility in which eligible patients are likely to be present, public health department, senior citizen center and courthouse, (2) we make available a copy of the policy, or a summary thereof, and financial assistance contact information to patients as part of the intake process, (3) we provide a copy of the policy, or a summary thereof, and financial assistance contact information to patients with discharge materials, (4) we include the policy, or a summary thereof, along with financial assistance contact information, in patient bills, and/or (5) we discuss with the patient the availability of various government benefits, such as Medicaid or state programs, and assist the patient with qualification for such programs, where applicable. In addition, we offer the free services of a certified "Navigator" who can assist the public while evaluating health insurance choices offered in the ACA Marketplace.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 4	<p>Fallon Medical Complex (FMC) is a sole community health care provider for a rural population in excess of 7,200 people spread over seven counties. In addition to serving Fallon County, located in southeastern Montana, FMC also provides health care for three bordering Montana counties (Carter, Wibaux, and part of Custer) and three adjacent North Dakota counties (Slope, Golden Valley, and part of Bowman). Considered "frontier" by the Montana Department of Public Health and Human Services, this region boasts less than two residents per square mile. FMC operates a critical access hospital, a rural health clinic, and a home care and personal services agency. Although Carter County operates a Critical Access Hospital and a Rural Health Clinic in Ekalaka, MT (35 miles to the south), facilities offering the next highest level of care are over 80 miles from Baker, necessitating a drive of nearly two hours in inclement weather. Two primary care physicians and two mid levels (physician assistants and/or family nurse practitioners) practice full time in Baker and see patients two days a week in our satellite clinic in Wibaux, MT. In addition, FMC's physicians supervise physician assistants in Ekalaka, MT and in Wibaux, MT. All in all, the DHHS Bureau of Primary Health Care has designated FMC's service area as a Health Professional Shortage Area (HPSA) due to a) a high population-to-physician ratio (greater than 3,500:1), b) the extreme remoteness of this facility, c) sparseness of our service area, and d) excessive distances to alternative providers. The majority of patients in FMC's service area are Caucasian (96%), older than age 45 (52%) and have graduated from high school (96.2%). The per capita income is about \$31,902 per year (compared to \$27,309 for all of Montana) and the unemployment rate is 1.3% (compared to 3.8%). About 8.5% of the population is below the Federal Poverty Level and roughly 6.5% of the population does not have health insurance. Of those with health insurance, 22% are covered by Medicare, and 6% are covered by Medicaid. Of those people on Medicaid, 21% receive mental health services. In all, according to a Robert Wood Johnson Foundation study, Fallon County is ranked 3 out of 47 for "health factors," based on health behaviors, clinical care, social and economic factors, and physical environment. Like most rural Montana areas, FMC's service area economy is largely based on agriculture. Wheat and barley are major farm crops and cattle and sheep dominate the local livestock production. The other major contributor towards the local economy is oil and gas exploration and extraction. Many residents are employed by large energy exploration and drilling companies or smaller energy-related service companies. The area recently entered the alternative energy arena when wind farms began cropping up across the wind-swept prairie.</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>All members of the Board of Trustees reside in our primary service area and are neither employees, contractors, nor family members of FMC. They are not compensated for their participation on the board and must be interested in, and willing to work towards, the best interests of health care in our service area. The board strives to find trustee candidates from all corners of FMC's service area, as well as diversity in gender and occupations. The Board is comprised of individuals who work as educators, ranchers, small business owners, retirees, and oil company managers. One of the board's responsibilities is to maintain and oversee FMC's Medical Staff. As such, they are responsible for granting privileges to qualified physicians and mid-levels (providers) based on education and skills confirmed through a structured credentialing process. The board extends medical staff privileges to all qualified providers that have an interest in providing services to our patients and who complete our formal application process. This process includes conducting due diligence through background checks, verification of education and credentials, and personal and professional reference checks. Providers may offer their services directly in our community or remotely via telemedicine systems. Given the isolated rural location of FMC as well as its limited service area population, the facility typically does not generate surplus funds from operations. A delicate balance exists between forecasting an anticipated revenue stream and attempting to match up operational expenses. Given that no revenue is guaranteed, adjustments must be made throughout each fiscal year to ensure the facility's ongoing solvency. Accordingly, FMC has not realized a net profit from operations for over 20 years. Most "surplus" funds are derived from gifts, grants, and fundraising efforts, all of which are generally focused on acquiring capital for the acquisition of patient care equipment. Some of these purchases are meant to upgrade equipment that has reached the end of its useful life cycle, in which case we strive to leverage design or technology improvements to provide greater comfort and effectiveness for the benefit of our patients. And in some cases, we use the funding to start a new service which was identified through our various needs assessments. FMC is predominantly a sole community "primary care" provider for its service area. Its system, or complex, of health care services was created out of necessity due to its remoteness. FMC lacks the resources and service area population to offer specialized medical services and/or conduct formal medical education and medical research. For the most part, we have striven to incrementally improve and enhance our core service offerings in an effort to increase the overall health status of our patients and residents. Accordingly, we strive to excel at primary care, offering family practice and preventative health outpatient services, routine hospital and fully digital diagnostic services, 24-hour emergency care (available to all regardless of ability to pay), long-term care, home-based skilled and personal care, and physical and occupational therapy. In an effort to provide comprehensive medical care to the community, various providers from neighboring communities routinely offer services to patients at FMC. For instance, chiropractic, dental, and hearing aid clinics are held regularly in Baker. In addition, FMC's primary medical care is augmented by visiting physicians such as Obstetricians and Pediatricians. In addition, our Telemedicine system is routinely used by participants in a Chemical Dependency (CD) support, education, and life skill class, allowing participants to interact with other participants and counselors in neighboring communities without having to drive for more than an hour each way multiple times each month. It is also used to conduct Healthy Lifestyles classes in conjunction with Holy Rosary Healthcare in Miles City, MT and to connect our patients with specialists located at Billings Clinic. Although we are not a formal teaching facility, we do host multiple students annually who are seeking careers in healthcare related disciplines. This includes high school students who would like to job shadow, to medical students who are completing a primary care rural rotation. We have a number of cooperative agreements with colleges and universities across the nation that allow students a variety of clinical experiences, from observation of care by a trained professional to providing limited patient services under direct supervision. In the past few years, we have hosted students pursuing careers as nurses, lab techs, radiology techs, physician assistants, physical therapists and physicians, coming from Pennsylvania, Washington State, Florida, Utah and Montana. In addition, FMC's Hospital Helpers organization has 30 members who volunteer their time by fundraising for various projects, working in our long term</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>rm care area -- operating a beauty shop, visiting with residents, and providing assistance with activities -- and managing a small gift shop in the hospital All of the money raise d by this group is gifted to the facility for the purchase of essential furniture, fixture s, and equipment The community also provides 36 specialty volunteers who offer their tale nts to our facility For example, various music groups provide events throughout the year and clergy from surrounding churches hold regular church services and help with special ne eds Volunteers also read newspapers and books, hold bible study classes, and decorate roo ms and hallways for our residents FMC operates a foundation that exists solely to attract and manage funds from donors who would like to provide financial support in the furtheranc e of FMC's mission This separate non-profit entity is governed by its own Board of Direct ors, which raises the funds, manages the investments, and determines how the funds should be spent One of their most actively managed efforts is the awarding of scholarships to st udents from our service area seeking healthcare careers We also encourage our staff to be involved in community-related boards and programs For instance, our Foundation Coordinato r has been a member of a local housing board, searching for ways to address our community' s chronic housing shortage, as well as a county-supported economic revitalization team, an d the local chamber of commerce Furthermore, a number of employees participate in disaste r preparedness meetings through the Local Emergency Preparedness Committee and provide lea dership roles in Boy Scouts, 4H, Business Professionals of America, Medical Explorers and Speech and Drama Lastly, FMC participates in many government-sponsored health care program s, including Medicare, Medicaid, Champus/Tricare, CHIP, and VA Choice Plus, we recently a greed to participate in the newly expanded Medicaid program (HELP) offered in Montana We have also embraced participation in a number of voluntary government-sponsored programs th at focus on quality assurance and process improvement, both independently, as well as thro ugh collaborative efforts with other Montana hospitals and associations (such as the Monta na Health Network, the Montana Hospital Association, the Mountain-Pacific Quality Health F oundation and the Hospital Improvement Innovation Network)</p>

Schedule H (Form 990) 2017

Additional Data**Software ID:****Software Version:****EIN:** 36-3808993**Name:** Fallon Medical Complex Inc**Form 990 Schedule H, Part V Section A. Hospital Facilities**

Section A. Hospital Facilities		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
(list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? <u>1</u>											
Name, address, primary website address, and state license number											
1	Fallon Medical Complex Inc 202 South 4th Street West Baker, MT 59313 www.fallonmedical.org 13128	X				X		X		Outpatient Clinic - RHC	

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 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Fallon Medical Complex, Inc	Part V, Section B, Line 5 During the Community Health Services Development Process, Fallon Medical Complex conducted three focus group meetings that were open to the public Steering committee participants were selected based on their involvement with community development and healthcare services, including local business men and women, Fallon County commissioners, healthcare personnel, and representatives from the Council on Aging and the South Eastern Montana Area Revitalization Team (SMART)

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 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Fallon Medical Complex, Inc	Part V, Section B, Line 7d Available in FMC's Quality Improvement Department

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Fallon Medical Complex, Inc	<p>Part V, Section B, Line 11 Fallon Medical Complex (FMC) conducted a Community Health Need s Assessment (CHNA) during FY2016 in order to develop a new implementation plan for FY2017 beginning July 1, 2016 That plan was adopted by our Board of Trustees on November 2, 201 6 Our new plan identified four prioritized health needs as determined by the assessment pr ocess 1) outreach and education, 2) primary care, 3) specialty care, 4) smoking prevalenc e For the most part, our implementation plan largely addressed the formation of a framewo rk for providing these services using our existing staff We identified the most substanti al barrier to be "resource limitations," which has been the case FY2017 was one of our wor st years, prompting both a wage freeze and a hiring freeze during FY2018, resulting in a 1 0% reduction in our workforce For this reason, we could not work on many of the goals and strategies identified in the implementation plan, especially as it relates to outreach an d education Nonetheless, we did achieve a handful of accomplishments under each identifie d health need 1) Outreach & Education Our PR Coordinator continued to evaluate alternativ e modalities to share information (radio, newspaper, websites, social media), trying to de termine which is the most effective and reasonably priced In particular, she has been try ing to enhance our presence on FaceBook, which seems to be viewed the most In addition, w e have continued to actively sponsor and participate in our local health fair, holding min i-health fairs throughout the year for major employers In light of provider retirements a nd ongoing turnover, we have been educating the community on our plan for the provider sta ffin g in the clinic Lastly, we did implement the 340B program in November 2016 to provide reasonably priced medications to low income individuals 2) Primary Care We did extend o ur clinic scheduling from one month in advance to six months in advance, and we are curren tly still working on a one-year schedule We publish a color copy of our monthly staffing in the local newspaper, so that our patients can see who is available on each day We cont inue to offer student camps, job shadow opportunities and rural clinical rotation experien ces for medical students 3) Specialty Care We worked diligently with our stakeholders to produce a community resource manual and we dedicated a resource to develop fresh content f or our website to educate the community about available services We are continuing to off er Lunch-and-Learn programs during the winter months (summer months are not well-attended) , which have included sessions on telemedicine and eEmergency 4) Smoking Prevalence We em braced the process of evaluating the concept of a Smoke Free Medical Campus and developed a working policy and implementation plan We provided the appropriate education and notifi cation, in addition to posting signage throughout our campus We also worked with our heal th insurance plan to create sm</p>

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Fallon Medical Complex, Inc	<p>oking cessation funding All in all, this need was fully implemented and completed on September 1, 2016 During the CHNA process, a handful of needs were identified that we are not able to address a) Offering optometry in our facility For a number of years, we rented space to an out-of-town optometrist who offered his services once a week When he retired, he was unable to convince the buyer of his practice to come to our town We have been continuously searching for a replacement with no success That type of service cannot be sustained 5-days a week in this community, so a new optometrist will need to provide outreach from a neighboring town b) Offering additional programs in alcohol & substance abuse A large number of CHNA participants identified this as a significant issue While we can heighten people's awareness of alcohol and substance abuse through education, we do not have the population base to support a formal program Even towns five times bigger than ours cannot seem to sustain such a program, so our providers routinely refer patients to programs in larger cities Nevertheless, we offer alcohol and drug counseling over telemedicine with the Eastern MT Mental Health Center in Miles City, MT and Billings Clinic c) Reducing the burden of traveling long distances to receive specialty services Unfortunately, we do not have the population base to support specialty services We have collaborated with neighboring facilities to offer routine 1-day clinics in our facility, but inevitably the providers find it too burdensome to sustain We are, however, offering specialty consultations over telemedicine which has been very successful, greatly reducing the travel burden d) Addressing the shortage of mental health resources and providers It is widely recognized by healthcare providers statewide that there is a significant need to provide better mental health services After studying this issue in collaboration with our peers in the Montana Health Network, we have identified two sizeable barriers 1) there are no mental health professionals available to service our communities, and 2) there is no insurance reimbursement available to pay for the services This is an ongoing topic that is discussed frequently in larger circles, but too substantial for us to solve on our own</p>

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 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Fallon Medical Complex, Inc	Part V, Section B, Line 16j FMC provides a summary of the financial assistance policy to patients upon admission FMC also attaches a summary of the policy to billing invoices and posts a plain language summary in the facility's emergency and waiting rooms, admissions offices, public health, courthouse, and senior citizen center

Schedule I (Form 990)

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

OMB No 1545-0047 2017 Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Name of the organization Fallon Medical Complex Inc

Employer identification number 36-3808993

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
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

Table with 8 columns: (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, (g) Description of noncash assistance, (h) Purpose of grant or assistance. Row 1: Friends of FMC Foundation Inc, 43-1975486, 501(c)(3), 33,727, Cost, In kind donation of wages and supplies.

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 1
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 noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash 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
Part I, Line 2	The organization pays for the salaries and wages of the Foundation Director for Friends of FMC Foundation, a related organization, as well as small amounts of supplies

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

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.**

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Fallon Medical Complex Inc

Employer identification number
36-3808993

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p>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</p>	1b									
<p>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?</p>	2									
<p>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</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>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</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</p>	4a	No								
	4b	No								
	4c	No								
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p> <p>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</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III</p>	5a	No								
	5b	No								
<p>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</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III</p>	6a	No								
	6b	No								
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7	No								
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	No								
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9									

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
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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) Darryl Espeland	Employee and brother of CEO	18,438	Compensation		No

Part V Supplemental Information

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

Return Reference	Explanation

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

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.

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Fallon Medical Complex Inc

Employer identification number

36-3808993

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	The members of the Corporation shall consist of all trustees and those individuals who apply for membership and fulfill the qualifications for membership which are established by the Board of Trustees

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	Elections for Trustees shall be held at the annual membership meeting, or by written ballot if authorized by the Board of Trustees. Any vacancy occurring on the Board of Trustees may be filled by appointment by the President of the Board of Trustees subject to confirmation by a majority of the members of the Board present at the next regular meeting of the Board following such appointment. The person so appointed shall serve for the remainder of the term of the Trustee for whom he or she was appointed. In the event that the election date set forth above falls on a legal holiday, the Board may by resolution adopted at any regular or special meeting preceding said date, postpone said election to the next business day following such date.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 8b	The organization does not have a committee that acts on behalf of the governing board

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11b	The Form 990 is emailed to the Board of Trustees for their review and they are allowed to comment prior to filing

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	The organization's policy requires a duty to disclose any conflicts annually as well as during discussions. The conflict of interest policy covers all members of the board, officers and employees. Board Members, officers and employees complete a questionnaire annually addressing potential areas of conflicts. Conflicts are determined by each individual. Conflicts are determined by each individual, but reviewed at the board level. If a conflict arises, the board member abstains from voting on matters that gave rise to the conflict.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	The Montana Hospital Association (MHA) publishes its compensation data for all classifications of healthcare workers annually. The data pertaining to facilities comparable in size is used to determine executive and officer compensation. The Board may also choose to call their peers in other facilities to substantiate the MHA data and to confirm the appropriateness of any proposed compensation. The board votes and approves the compensation for officers such as the CEO and CFO. The decisions are documented on an annual basis when salaries are approved. This process last took place at the end of fiscal year 06/30/18, with board approval of the budget for FY 2019 at the 06/6/18 board meeting.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The organization's governing documents, conflict of interest policy and financial statements are available for inspection at the corporation's place of business upon request

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part IX, line 11g	Professional Fees Program service expenses 1,357,849 Management and general expenses 43,675 Fundraising expenses 0 Total expenses 1,401,524 Contract Services Program service expenses 1,406,333 Management and general expenses 0 Fundraising expenses 0 Total expenses 1,406,333 Purchased PT Testing Program service expenses 89,913 Management and general expenses 0 Fundraising expenses 0 Total expenses 89,913

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, line 9	Equity in Earnings of Affiliate recorded in Revenue for Financial Statement 48,070

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Page 1, Line C	Fallon Medical Complex, Inc is doing business under the following names Community Clinic , Home Care Services, Fallon Memorial Hospital, and Wibaux Clinic

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2017

**Open to Public
Inspection**

- ▶ 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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Fallon Medical Complex Inc

Employer identification number

36-3808993

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
(1) Friends of FMC Foundation 202 S 4th St W Baker, MT 59313 43-1975486	Foundation/Fundraising	MT	501(c)(3)	Line 7	N/A		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) Disproportionate 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	

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	No

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

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

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

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

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

Part VII **Supplemental Information**

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