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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2017

Open to Public Inspection

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](#)

Department of the Treasury

Internal Revenue Service

A For the 2017 calendar year, or tax year beginning 10-01-2017 , and ending 09-30-2018

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization

MEMORIAL HEALTH SYSTEM

Doing business as

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

701 NORTH FIRST STREET

Room/suite

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

SPRINGFIELD, IL 627810001

F Name and address of principal officer

EDGAR J CURTIS

701 NORTH FIRST STREET

SPRINGFIELD, IL 627810001

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

5670

D Employer identification number

37-1110690

E Telephone number

(217) 788-3198

G Gross receipts \$

364,786,034

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶

WWW.MHSIL.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation

1981

M State of legal domicile

IL

Part I Summary

Activities & Governance

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

TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE

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

3 Number of voting members of the governing body (Part VI, line 1a)

17

4 Number of independent voting members of the governing body (Part VI, line 1b)

12

5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)

367

6 Total number of volunteers (estimate if necessary)

16

7a Total unrelated business revenue from Part VIII, column (C), line 12

270,109

7b Net unrelated business taxable income from Form 990-T, line 34

0

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Prior Year

0

Current Year

0

68,040,351

68,637,006

2,617,926

5,495,443

71,183

822,792

70,729,460

74,955,241

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

0

0

b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

32,675,633

34,169,705

18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)

72,222,005

70,715,448

19 Revenue less expenses Subtract line 18 from line 12

-1,492,545

4,239,793

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Beginning of Current Year

End of Year

579,077,720

529,554,123

461,289,839

405,770,758

117,787,881

123,783,365

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

2019-08-14

Date

KATHRYN J KEIM SR VICE PRESIDENT & CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

JESSICA A WAGENER

Preparer's signature

JESSICA A WAGENER

Date

Check ☐ if self-employed

PTIN

P01622613

Firm's name ▶

ERNST & YOUNG US LLP

Firm's EIN ▶

34-6565596

Firm's address ▶

155 N WACKER DR

Phone no

(312) 879-2000

CHICAGO, IL 60606

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission

TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE

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 \$ 31,597,751	including grants of \$	(Revenue \$ 1,594,968)
See Additional Data				

4b	(Code)	(Expenses \$ 9,960,080	including grants of \$	(Revenue \$ 7,153,579)
See Additional Data				

4c	(Code)	(Expenses \$ 5,471,914	including grants of \$	(Revenue \$ 56,359,655)
See Additional Data				

(Code)	(Expenses \$ 4,489,617	including grants of \$ 779,888	(Revenue \$ 3,528,804)
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OTHER REVENUE INCLUDES PARTNERSHIP INCOME AND MISCELLANEOUS INCOME FOR MHS AND MEMORIAL HEALTH PARTNERS (MHP). MHP IS A DISREGARDED ENTITY OWNED 100% BY MHS. FOR FY2018, MHS RECORDED A LOSS IN MIDWEST HEALTHCARE QUALITY ALLIANCE, LLC (MHQA) AND LLHIE. A GAIN WAS RECORDED IN MID-AMERICA SERVICE SOLUTION AND BJC COLLABORATIVE. MHS ALSO HAD CARE COORDINATION PAYMENTS FOR MHP, AND A CHARGEBACK FOR STAFF TIME TO LINCOLN LAND HEALTH INFORMATION EXCHANGE, LLC IN WHICH MHS IS A 27.27% OWNER.

4d	Other program services (Describe in Schedule O)			
(Expenses \$ 4,489,617	including grants of \$ 779,888	(Revenue \$ 3,528,804)		

4e	Total program service expenses	51,519,362		
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Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	Yes	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		No
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		No
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		No
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	Yes	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	Yes	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	Yes	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	Yes	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	Yes	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	37	
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	367	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	17	
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records:
 ▶ KATHRYN J KEIM SENIOR VP & CFO 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 (217) 788-3830

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

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

[illegible]

[illegible]

1b Sub-Total			
c Total from continuation sheets to Part VII, Section A			
d Total (add lines 1b and 1c)	6,182,467	1,208,339	1,901,700

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 52

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
LEVI RAY & SHOUP INC 2401 W MONROE ST SPRINGFIELD, IL 62704	IT CONSULTING SERVICES	3,590,266
SPRINGFIELD CLINIC PO BOX 19248 SPRINGFIELD, IL 62794	IT SERVICES	1,561,165
BURWOOD GROUP INC 8582 SOLUTIONS CTR CHICAGO, IL 60677	IT CONSULTING SERVICES	1,443,264
MICROSOFT LICENSING GP INC 1950 N STEMMONS FWY STE 5010 LB842 DALLAS, TX 75207	ENTERPRISE SERVER SERVICES	1,436,091
INFOR (US) INC NW 7418 PO BOX 1450 MINNEAPOLIS, MN 55485	IT CONSULTING SERVICES	722,096

<p>2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 36</p>	
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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				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f ▶					
Program Service Revenue			Business Code			
	2a MANAGEMENT FEES		900099	56,359,655	56,139,829	219,826
	b PROGRAM RELATED RENT		900099	7,153,579	7,153,579	
	c IT REIMBURSED EXPENSES		900099	1,594,968	1,594,968	
	d RELATED PSHP INCOME		900099	-326,180	-326,180	
	e _____					
	f All other program service revenue			3,854,984	3,854,984	
	g Total. Add lines 2a-2f ▶		68,637,006			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		917,773			917,773
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
	6a Gross rents	(i) Real (ii) Personal				
		13,653,019				
	b Less rental expenses	15,230,901				
	c Rental income or (loss)	-1,577,882				
	d Net rental income or (loss) ▶		-1,577,882			-1,577,882
	7a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		278,067,533 1,110,029				
	b Less cost or other basis and sales expenses	272,888,246 1,711,646				
	c Gain or (loss)	5,179,287 -601,617				
	d Net gain or (loss) ▶		4,577,670			4,577,670
	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 BILLING SERVICE	561000	2,400,030		49,639	2,350,391	
b _____						
c _____						
d All other revenue		644		644		
e Total. Add lines 11a-11d ▶		2,400,674				
12 Total revenue. See Instructions ▶		74,955,241	68,417,180	270,109	6,267,952	

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.	736,076	736,076		
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	43,812	43,812		
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.	5,471,914	5,471,914		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	66,193	66,193		
7 Other salaries and wages.	23,727,109	16,230,280	7,496,829	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	1,818,430	1,243,878	574,552	
9 Other employee benefits.	2,731,175	1,721,242	1,009,933	
10 Payroll taxes.	1,951,034	1,143,613	807,421	
11 Fees for services (non-employees):				
a Management.				
b Legal.	934,942		934,942	
c Accounting.	542,004		542,004	
d Lobbying.	128,250		128,250	
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.	143,697		143,697	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	3,658,812	995,050	2,663,762	
12 Advertising and promotion.	1,627,877		1,627,877	
13 Office expenses.	3,946,395	1,521,455	2,424,940	
14 Information technology.	9,352,816	9,274,532	78,284	
15 Royalties.				
16 Occupancy.	3,208,928	2,843,384	365,544	
17 Travel.	127,782	54,263	73,519	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	32,634	17,208	15,426	
20 Interest.	967,821	967,821		
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	9,041,885	8,946,312	95,573	
23 Insurance.	174,516		174,516	
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 REPAIRS & MAINTENANCE	217,804	215,702	2,102	
b FOOD & DIETARY	39,392	5,973	33,419	
c MINOR PROJECT COSTS	20,641	20,641		
d RECRUITMENT	3,496		3,496	
e All other expenses	13	13		
25 Total functional expenses. Add lines 1 through 24e.	70,715,448	51,519,362	19,196,086	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 SheetCheck 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		7,682,388	2	10,356,484	
	3	Pledges and grants receivable, net			3		
	4	Accounts receivable, net		2,841,409	4	4,272,532	
	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			8		
	9	Prepaid expenses and deferred charges		6,204,763	9	5,454,597	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	349,486,701			
	b	Less: accumulated depreciation	10b	152,156,913	205,269,166	10c	197,329,788
	11	Investments—publicly traded securities		48,068,652	11	21,885,274	
	12	Investments—other securities. See Part IV, line 11		3,856,490	12	796,489	
	13	Investments—program-related. See Part IV, line 11			13		
	14	Intangible assets			14		
	15	Other assets. See Part IV, line 11		305,154,852	15	289,458,959	
16	Total assets. Add lines 1 through 15 (must equal line 34)		579,077,720	16	529,554,123		
Liabilities	17	Accounts payable and accrued expenses		12,504,985	17	14,043,816	
	18	Grants payable			18		
	19	Deferred revenue		766,522	19	1,854,219	
	20	Tax-exempt bond liabilities		302,506,000	20	295,209,002	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21		
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22		
	23	Secured mortgages and notes payable to unrelated third parties		89,684,752	23	59,582,059	
	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		55,827,580	25	35,081,662	
	26	Total liabilities. Add lines 17 through 25		461,289,839	26	405,770,758	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets		117,787,881	27	123,783,365	
	28	Temporarily restricted net assets			28		
	29	Permanently restricted net assets			29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds			30		
	31	Paid-in or capital surplus, or land, building or equipment fund			31		
	32	Retained earnings, endowment, accumulated income, or other funds			32		
33	Total net assets or fund balances		117,787,881	33	123,783,365		
34	Total liabilities and net assets/fund balances		579,077,720	34	529,554,123		

Part XI Reconciliation of Net AssetsCheck 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	74,955,241
2	Total expenses (must equal Part IX, column (A), line 25)	2	70,715,448
3	Revenue less expenses Subtract line 2 from line 1	3	4,239,793
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	117,787,881
5	Net unrealized gains (losses) on investments	5	-2,740,396
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	4,496,087
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	123,783,365

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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?		No
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

Form 990 (2017)

Form 990, Part III, Line 4a:

INFORMATION TECHNOLOGYMEMORIAL HEALTH SYSTEM (MHS) CONTINUES TO IMPLEMENT LEADING EDGE TECHNOLOGY SOLUTIONS TO AUGMENT PATIENT SAFETY, QUALITY AND CLINICAL EFFECTIVENESS AND TO IMPROVE MHS'S BUSINESS PROCESSES MHS'S STAFF OF EXPERIENCED INFORMATION TECHNOLOGY PROFESSIONALS IS ON THE CUTTING EDGE OF MEDICAL AND BUSINESS TECHNOLOGY THEY SUPPORT A VAST ARRAY OF PATIENT CARE TECHNOLOGY AND BUSINESS APPLICATIONS DURING FY2018, SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS INCLUDED ENHANCED INTEROPERABILITY THROUGH PATIENT INFORMATION EXCHANGE WITH OUR 2 LARGEST PARTNERED PHYSICIAN GROUPS FOR SEAMLESS FLOW OF PATIENT INFORMATION TO ADVANCE CARE AND IMPROVE EFFICIENCY, IMPLEMENTED IMPROVED DISASTER RECOVERY FOR OUR AFFILIATE LOCATIONS IN JACKSONVILLE, LINCOLN, AND TAYLORVILLE, ILLINOIS, INTRODUCED THE MEMORIAL APP, A CUSTOM-BUILT PATIENT APPLICATION THAT PROVIDES A WIDE ARRAY OF SELF-SERVICE OPTIONS FOR OUR PATIENTS IN THE AMBULATORY SETTING, EXPANDED UPON OUR USE OF CLOUD TECHNOLOGY TO REDUCE COSTS AND OPTIMIZE FTE ALLOCATION, AND INCREASED OUR NETWORK BANDWIDTH TO OUR AFFILIATE SITES TO PROVIDE BETTER RESPONSE TIME AND ACCOMMODATE FUTURE GROWTH

Form 990, Part III, Line 4b:

BUILDING AND FACILITY EXPANSION AND IMPROVEMENTS
SMHS'S MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE. SAFE, FUNCTIONAL FACILITIES ARE THE FOUNDATION OF THE HEALTHCARE SERVICES WE PROVIDE. CLINICAL PROJECTS THAT BEGAN IN FY 2018 - LOWER LEVEL C BUILDING PHARMACY - CREATE NEW CLEAN ROOM WORKPLACE TO COMPLY WITH NEW REGULATORY STANDARDS AND ADDED NEW MANUFACTURING SPACE WITH NEW BOX PICKER AND PILL PICKER ROBOTS - NEW CATH LABS AND INTERVENTIONAL RADIOLOGY LAB - UPGRADE EQUIPMENT FOR TWO CATH LABS AND ONE IR LAB - BAYLIS 4TH FLOOR RENOVATION - RENOVATIONS FOR MEMORIAL MEDICAL CENTER (MMC) VASCULAR SERVICES AND SOUTHERN ILLINOIS UNIVERSITY VASCULAR CLINIC. OTHER PROJECTS COMPLETED FOR THE MEDICAL CENTER INCLUDE - FLOOR 2E ONCOLOGY - RENOVATION OF EXISTING ONCOLOGY UNIT TO INCLUDE LARGER PATIENT ROOMS - BUILDING D WINDOW REPLACEMENT - REPLACEMENT OF WINDOWS WITH IMPROVED THERMAL BREAK - FLOOR 4C INPATIENT (IP) RENOVATIONS - UPGRADED SPACE FOR IP PHYSICAL THERAPY/OCCUPATIONAL THERAPY SERVICES - OPERATING ROOMS (OR) 2, 4, 18 RENOVATIONS - FINISH UPGRADES (ALL ORS), NEW LIGHTS (OR 2) AND CLEANSWEEP WITH INTEGRATION SYSTEM (OR 18) - COMPUTERIZED TOMOGRAPHY (CT) REPLACEMENT ROOM - MECHANICAL UPGRADES FOR NEW CT SCANNER

Part 990, Part III, Line 4c:

SENIOR LEADERSHIP GUIDED BY THE VALUES OF MHS, SENIOR LEADERSHIP IS RESPONSIBLE FOR STRATEGIC PLANNING, PRIORITIZING AMONG COMPETING ISSUES AND ENGAGING IN DIALOGUE AND DECISION-MAKING THAT WILL ENABLE MHS TO ACHIEVE ITS MISSION (TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE), ITS VISION (TO BE A NATIONAL LEADER FOR EXCELLENCE IN PATIENT CARE) AND ITS STRATEGIC GOALS (TO ACHIEVE GREAT PATIENT OUTCOMES, BE A GREAT PLACE TO WORK, BE A GREAT PARTNER FOR PHYSICIANS, PROVIDE A GREAT REGIONAL PRESENCE AND DEMONSTRATE GREAT FINANCIAL STEWARDSHIP) IN FY18, MHS SENIOR LEADERSHIP REVIEWED AND CONFIRMED THE ORGANIZATION'S STRATEGIC PLAN, 5 YEAR GOALS AND MEASURES OF SUCCESS TO REFLECT EMERGING PRIORITIES RELATED TO HEALTH REFORM, QUALITY IMPROVEMENT, POPULATION HEALTH, CARE COORDINATION AND THE RESULTS OF OUR COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT. IN ADDITION, THE LEADERSHIP TEAM EXECUTED THE HEALTH SYSTEM STRATEGIC AND FISCAL YEAR ACTION PLANS AND REPORTED RESULTS TO ITS BOARD. IN 2018 MMC, THE HEALTH SYSTEM'S FLAGSHIP HOSPITAL, RECEIVED THE 2018 AMERICAN HOSPITAL ASSOCIATION'S NOVA AWARD, ALONG WITH HSHS ST JOHN'S HOSPITAL IN RECOGNITION OF THEIR WORK WITH SIU MEDICINE ON THE ENOS PARK ACCESS TO CARE COLLABORATIVE. THE NOVA AWARD RECOGNIZES HOSPITALS THAT COLLABORATE WITH OTHER COMMUNITY ORGANIZATIONS TO IMPROVE COMMUNITY HEALTH STATUS BY LOOKING BEYOND PHYSICAL AILMENTS TO ADDRESS ECONOMIC AND SOCIAL BARRIERS TO CARE. THE ACCESS TO CARE PROGRAM IS A RESULT OF THE JOINT COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED BY MEMORIAL AND ST JOHN'S HOSPITAL. IN 2015 THE PROGRAM PLACED COMMUNITY HEALTH WORKERS WITHIN A NEIGHBORHOOD WITH SIGNIFICANT RISK FACTORS FOR SOCIAL DETERMINANTS OF HEALTH. DURING ITS FIRST THREE YEARS THE PROGRAM HAS ENROLLED 422 CLIENTS, INCREASED ACCESS TO PHYSICIANS, MENTAL HEALTH CARE, AND DENTAL CARE. UNNECESSARY USE OF THE EMERGENCY DEPARTMENT DECREASED. ADDITIONALLY, THE PROGRAM HAS INCREASED ACCESS TO FOOD AND NUTRITION, EMPLOYMENT, IMPROVED HOUSING, AND TRANSPORTATION. THE NEIGHBORHOOD HAS EXPERIENCED DECREASES IN CRIME, HOMELESSNESS AND PAROLEE RECIDIVISM. TO FURTHER ACCELERATE ADVANCEMENTS IN QUALITY, PATIENT SAFETY AND CLINICAL INNOVATION IN FY18, MHS AND THE MIDWEST HEALTH QUALITY ALLIANCE (MHQA) HOSTED ITS FOURTH ANNUAL FUNDAMENTALLY HUMAN PATIENT SAFETY AND SIMULATION SYMPOSIUM AT THE MEMORIAL CENTER FOR LEARNING AND INNOVATION. THE EVENT FOCUSED ON CURRENT WORK IN DIAGNOSTIC ERROR AND THE BURDEN OF HARM, WITH A SPECIFIC FOCUS ON THE COMMON CAUSES AND TARGETS FOR ERROR REDUCTIONS, THE POTENTIAL FOR SYSTEMS-BASED SOLUTIONS THAT CAPITALIZE ON TEAMWORK, TRAINING, TECHNOLOGY AND TUNING TO HELP PREVENT DIAGNOSTIC ERRORS. ADDITIONALLY, THERE WAS EXTENSIVE LEARNING AROUND IMPLEMENTING ENHANCED RECOVERY AFTER SURGERY PROTOCOLS, WHICH INCORPORATE PRE-SURGERY HYDRATION AND CARB LOADING, APPROPRIATE PRE-OP PATIENT EDUCATION ON EXPECTATIONS FOR PAIN AND DISCOMFORT, AND REDUCTION OF OPIOIDS. THE LEAN SIX SIGMA (LSS) PROCESS IMPROVEMENT PROGRAM GREW THIS YEAR SURPASSING 1/3 OF THE TOTAL STAFF CERTIFIED AS BLACK, GREEN AND WHITE BELTS, 25% GROWTH IN THE NUMBER LSS PROJECTS COMPLETED AND AN AVERAGE OF 35% IMPROVEMENT IN OUTCOMES. IN ADDITION TO IMPROVEMENTS IN QUALITY AND PATIENT SAFETY, THESE LSS PROJECTS REDUCED EXPENSES RELATED TO "REWORK AND "WASTE" BY \$10.6 MILLION IN THE AREA OF LEADERSHIP DEVELOPMENT AND LEARNING, MHS HAS WAS RECOGNIZED BY THE NATIONAL CENTER FOR HEALTHCARE LEADERSHIP (NCHL) AS ONE OF NATION'S TOP 10 BEST ORGANIZATIONS FOR LEADERSHIP DEVELOPMENT. THE BOLD AWARD RECOGNIZES HEALTH SYSTEMS THAT ARE LEADING THE FIELD IN PREPARING LEADERS FOR BETTER HEALTH OUTCOMES FOR ALL. THANKS TO THE GENEROUS SPONSORSHIP OF CIELO HEALTHCARE, HEALTH SYSTEMS WERE ABLE TO PARTICIPATE IN THE PROGRAM THIS YEAR AT NO COST. BOLD AWARDEES SCORED HIGHLY ON A COMPREHENSIVE SURVEY OF EVIDENCE-BASED LEADERSHIP DEVELOPMENT PRACTICES. "TOP RANKING" AWARDEES RECOGNIZES HEALTH SYSTEMS THAT ARE LEADING THE FIELD IN PREPARING LEADERS FOR BETTER HEALTH OUTCOMES FOR ALL. BOLD AWARDEES SCORED HIGHLY ON A COMPREHENSIVE SURVEY OF EVIDENCE-BASED LEADERSHIP DEVELOPMENT PRACTICES. "TOP RANKING" AWARDEES WERE THE ORGANIZATIONS SCORING HIGHEST OVERALL, "PROGRAM OF DISTINCTION" AWARDEES RECOGNIZE ADDITIONAL HEALTH SYSTEMS FOR SCORING AMONG THE HIGHEST IN ONE OR MORE SURVEY DIMENSIONS. DURING FY2018, MHS'S FOUR HOSPITALS COMPLETED THE THIRD YEAR OF THEIR COMMUNITY HEALTH NEEDS ASSESSMENT IMPLEMENTATION STRATEGIES TO ADDRESS PRIORITIES IDENTIFIED IN EACH HOSPITAL'S 2015 NEEDS ASSESSMENTS. ALL FOUR HOSPITALS HAD SELECTED MENTAL HEALTH AND OBESITY AS FINAL PRIORITIES. TWO SYSTEM-WIDE INITIATIVES TOOK PLACE TO ADDRESS THESE ISSUES. MENTAL HEALTH FIRST AID WAS IMPLEMENTED THROUGH ALL FOUR HOSPITALS IN THE COMMUNITIES THEY SERVE. MEMORIAL COVERED COSTS FOR TRAINING 29 CERTIFIED TRAINERS. IN FY17 AND FY18, THESE TRAINERS REACHED A TOTAL OF 1,438 COMMUNITY MEMBERS WITH EDUCATION TO IMPROVE MENTAL HEALTH LITERACY, EARLY IDENTIFICATION OF MENTAL HEALTH ISSUES, PEER INTERVENTION, AND REFERRAL OF COMMUNITY MEMBERS TO AVAILABLE RESOURCES. TO ADDRESS THE PRIORITY OF OBESITY, THE MEMORIAL WEIGHT LOSS AND WELLNESS CENTER EXPANDED ITS SERVICE OUTREACH. THIS PROGRAM PROVIDES A COMPREHENSIVE, MULTIDISCIPLINARY APPROACH TO SUPPORT INDIVIDUALS ON A PATH OF WELLNESS. THE CENTER OFFERS SURGICAL AND MEDICAL (NON-SURGICAL) WEIGHT LOSS SERVICES, DIABETES EDUCATION, THE CENTER FOR HEALTHY FAMILIES, SURGICAL OPTIMIZATION AND OUTPATIENT NUTRITION THERAPY TO INDIVIDUALS OF ALL AGES. IN FY18, THE CENTER HELD AN AVERAGE CENSUS OF 599 MEDICAL WEIGHT LOSS PATIENTS (NON-SURGICAL), COMPLETED 301 BARIATRIC SURGERIES, PROVIDED DIABETES EDUCATION TO 271 PATIENTS, AND PROVIDED FAMILY-BASED WELLNESS SERVICES TO 37 KIDS, TEENS AND THEIR FAMILIES. SERVICES ARE OFFERED IN SPRINGFIELD, JACKSONVILLE, LINCOLN, TAYLORVILLE (DIABETES SERVICES), DECATUR AND BLOOMINGTON. MMC'S ADDRESSED ITS ACCESS TO CARE PRIORITY THROUGH THE ENOS PARK ACCESS TO CARE PROGRAM, CONTINUING TO FUND COMMUNITY HEALTH WORKERS (CHWS) IN AN AT-RISK NEIGHBORHOOD, IN COLLABORATION WITH HSHS ST JOHN'S HOSPITAL AND SIU MEDICINE. SINCE THE PROGRAM BEGAN, CHWS HAVE SERVED 422 INDIVIDUALS, WHO RECEIVED 1,604 PRIMARY CARE APPOINTMENTS, 236 SPECIALTY APPOINTMENTS, 525 MENTAL HEALTH APPOINTMENTS AND 159 DENTAL APPOINTMENTS. CHWS PROVIDED 6,354 TRANSPORTATIONS FOR CLIENTS. SIGNIFICANT COLLABORATIONS WERE BUILT WITH LOCAL SERVICE PROVIDERS AND THE POLICE DEPARTMENT. MMC'S MENTAL HEALTH PRIORITY WAS ADDRESSED THROUGH FINANCIAL SUPPORT OF MEMORIAL BEHAVIORAL HEALTH'S (MBH) MOSAIC PROGRAM, WHICH SOCIAL EMOTIONAL SCREENINGS AND BEHAVIORAL HEALTH APPOINTMENTS IN THE SCHOOL SETTING, 218 CHILDREN RECEIVED MENTAL HEALTH SERVICES IN THE 2017-2018 SCHOOL YEAR. TO ADDRESS OBESITY, MMC'S WEIGHT LOSS AND WELLNESS CENTER'S DIABETES SERVICES PARTNERED WITH THE SPRINGFIELD YMCA TO ATTAIN A CDC-RECOGNIZED DIABETES PREVENTION PROGRAM THROUGH THE PROCESS IDENTIFIED BY THE AMERICAN ASSOCIATION OF DIABETES EDUCATORS. THIS CERTIFICATION WAS ACHIEVED IN FY18. PASSAVANT AREA HOSPITAL (PAH) ADDRESSED ITS ACCESS TO CARE PRIORITY BY COLLABORATING WITH SIU MEDICINE TO SUPPORT A NEW FEDERALLY QUALIFIED HEALTH CENTER IN MORGAN COUNTY, WHICH SERVED 2,217 PATIENTS IN FY18. PAH ALSO PROVIDED FINANCIAL SUPPORT FOR MORGAN COUNTY HEALTH DEPARTMENT'S SEXUALLY TRANSMITTED DISEASE CLINIC, WHICH COULD NOT OPERATE WITHOUT THIS SUPPORT. THE PROGRAM SERVED 217 CLIENTS IN FY18. TO ADDRESS OBESITY, THE HOSPITAL SUPPORTS TWO WALKING FOR WELLNESS PROGRAMS IN THE COMMUNITY, WHICH HAD MORE THAN 10,000 INSTANCES OF PARTICIPATION, A 22% INCREASE IN PARTICIPATION IN FY18. TAYLORVILLE MEMORIAL HOSPITAL (TMH) IS COLLABORATING WITH THE CHRISTIAN COUNTY YMCA TO IMPLEMENT THE CDC'S NATIONAL DIABETES PREVENTION PROGRAM. THE PROGRAM'S DEVELOPMENT PLAN WAS APPROVED AND STARTED IN FY18. TMH ALSO BEGAN WORK TO IMPLEMENT CATCH (COORDINATED APPROACH TO CHILD HEALTH), AN EVIDENCE-BASED PROGRAM TO PREVENT CHILDHOOD OBESITY. THEY IDENTIFIED A PILOT SCHOOL TO LAUNCH THE PROGRAM IN THE FALL OF 2018. TMH IS ADDRESSING MENTAL HEALTH THROUGH SENIOR LIFE SOLUTIONS, WHICH PROVIDES GROUP MENTAL HEALTH THERAPY AND INDIVIDUALIZED PATIENT CARE PLANS FOR STRUGGLING SENIORS. THE PROGRAM REDUCES ANXIETY AND DEPRESSION AS WELL AS USE OF THE HOSPITAL EMERGENCY DEPARTMENT. ACCESS TO CARE WAS ADDRESSED BY COLLABORATING WITH SIU MEDICINE TO BEGIN A NEW FEDERALLY QUALIFIED HEALTH CENTER IN TAYLORVILLE, AND ACCESS TO PEDIATRIC DENTAL SERVICES WAS PROVIDED TO 15 CHILDREN THROUGH COLLABORATION WITH MILES OF SMILES, THE SCHOOL DISTRICT, HEAD START, A DENTAL GROUP, AND FUNDING FROM THE TMH FOUNDATION. ABRAHAM LINCOLN MEMORIAL HOSPITAL'S (ALMH) OBESITY PRIORITY WAS ADDRESSED THROUGH EXPANSION OF THE CATCH PROGRAM, WHICH ADDED AN ADDITIONAL ELEMENTARY SCHOOL, AFTER-SCHOOL PROGRAM AND THREE DAYCARES TO EXISTING SITES.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH HURWITZ BOARD MEMBER (FROM JAN 18)	0 70	X						0	0	0
RICHARD LEVI BOARD MEMBER (THRU DEC 17)	0 70	X						0	0	0
NINA HARRIS BOARD MEMBER	0 70	X						0	0	0
MICHAEL AIELLO BOARD MEMBER (FROM JAN 18)	0 70	X						0	0	0
SERGIO PECORI BOARD MEMBER (THRU DEC 17)	0 70	X						0	0	0
WILLIAM PUTMAN MD BOARD MEMBER	0 70	X						0	0	0
MICHAEL NEUMEISTER MD BOARD MEMBER	0 70	X						0	0	0
REGINALD BENTON BOARD MEMBER	0 70	X						0	0	0
GINNY FANNING BOARD MEMBER	0 70	X						0	0	0
JERRY KRUSE MD MSPH BOARD MEMBER	0 70	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SUSAN KOCH EDD BOARD MEMBER	0 70	X						0	0	0
JOHN BLACKBURN BOARD MEMBER	0 70	X						0	0	0
TODD WISE BOARD MEMBER(THRUDEC17)/2NDVCHR	0 70 0 70	X		X				0	0	0
DEAN ROBERT JR 2NDVCHR(THRUDEC17)/1STVCHR	0 70 0 70	X		X				0	0	0
DALE BECKER TREASURER	0 70 0 70	X		X				0	0	0
RANDALL GERMERAAD CHAIR(THRUDEC17)/BRDMEM	0 70 0 70	X		X				0	0	0
DIANE RUTLEDGE PHD 1STVCHAIR(THRUDEC17)/CHAIR	0 70 0 70	X		X				0	0	0
GEOFFREY ISRINGHAUSEN SECRETARY	0 70 0 70	X		X				0	0	0
EDGAR CURTIS EX-OFFICIO PRESIDENT & CEO	25 00 25 00	X		X				1,276,987	0	309,395
ROBERT KAY SVP & CFO & ASST TREASURER	25 00 25 00			X				635,808	0	228,839

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MITCHELL JOHNSON	25 00				X			511,017	0	123,219
SVP & CHIEF STRTG Y OFFCR(THRUDEC17)	25 00				X					
DAVID GRAHAM MD	25 00				X			578,304	0	169,485
SVP & CIO	25 00				X					
ROBERT SCOTT	25 00				X			371,234	0	69,426
VP & CHRO	25 00				X					
KEVIN ENGLAND	25 00				X			332,583	0	181,598
VPBUSDEV(THRUSEP17)/SVPBUSDEV	25 00				X					
ANNA EVANS JD	25 00				X			440,199	0	137,801
GEN COUNSEL/VP INT AUDIT & COMPL	25 00				X					
CHARLES CALLAHAN PHD	25 00				X			0	706,687	193,426
EVP & COO	25 00				X					
SCOTT KIRIAKOS	25 00				X			0	501,652	129,496
SVP CLINICAL INTEGRATION (THRUDEC17)	25 00				X					
RAJESH GOVINDAIAH MD	25 00					X		604,745	0	86,664
SVP & CMO	25 00					X				
AIMEE ALLBRITTON PHD	25 00					X		388,380	0	70,012
VP & CLO	25 00					X				
KIMBERLY BOURNE	0 00					X		319,258	0	75,988
PRESIDENT TMH & CEO TMH	50 00					X				

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
J TRAVIS DOWELL PRESIDENT MPS & VP MPS	0 00 50 00					X		333,532	0	72,631
DOLAN DALPOAS PRESIDENT ALMH & CEO ALMH	0 00 50 00					X		390,420	0	53,720

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization
MEMORIAL HEALTH SYSTEM

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Employer identification number
37-1110690

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ))
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 ☐ An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 11 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 12 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
- b ☒ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f Enter the number of supported organizations 11
- 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		
See Additional Data Table						
Total	11				56,359,655	0

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 ► <input type="checkbox"/>						

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 ► <input type="checkbox"/>	
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 ► <input type="checkbox"/>	
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 ► <input type="checkbox"/>	
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 ► <input type="checkbox"/>	
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 ► <input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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? <i>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.</i>		No
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		No
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		No
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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		No
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
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)? <i>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.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		No
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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
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? <i>If "Yes," provide detail in Part VI.</i>	Yes	
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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		No
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		No
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))? <i>If "Yes," provide detail in Part VI.</i>		No
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? <i>If "Yes," provide detail in Part VI.</i>		No
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? <i>If "Yes," provide detail in Part VI.</i>		No
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)? <i>If "Yes," answer line 10b below.</i>		No
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

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? If "Yes" to a, b, or c, provide detail in Part VI		
11a		No
11b		No
11c		No

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (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.			

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

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION A, LINE 1	<p>MEMORIAL HEALTH SYSTEM (37-1110690) AFFILIATES ARE DESIGNATED BY THE CLASS AND PURPOSE INDICATED IN SCHEDULE R, PART II. EACH SUPPORTED ORGANIZATION IS A SECTION 501(C)(3) PUBLIC CHARITY DESCRIBED IN INTERNAL REVENUE CODE SECTION 509(A)(1) OR SECTION 509(A)(2). THE SUPPORTED ORGANIZATIONS ARE NOT LISTED BY NAME IN MEMORIAL HEALTH SYSTEM'S GOVERNING DOCUMENTS.</p> <p>, HOWEVER, FOR ALL SUPPORTED AFFILIATES, WITH THE EXCEPTION OF SPRINGFIELD RESIDENTIAL SERVICES, THE CORPORATE MEMBER IS DESCRIBED IN THE SUPPORTED ORGANIZATIONS GOVERNING DOCUMENT.</p> <p>S AS HAVING CERTAIN RESERVED POWERS. FOR SPRINGFIELD RESIDENTIAL SERVICES, IT IS JUST A HISTORICAL RELATIONSHIP WITH MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS.</p>

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION A, LINE 6	DURING FY2018, MEMORIAL HEALTH SYSTEM PROVIDED GRANTS OR ALLOCATIONS TO OTHER ORGANIZATION S AND COMMUNITY GROUPS ON BEHALF OF ITS SUPPORTED ORGANIZATIONS THE PURPOSE OF THESE GRANTS WAS TO FURTHER THE CHARITABLE, SCIENTIFIC AND EDUCATIONAL PURPOSES OF THE SUPPORTED ORGANIZATIONS AND TO PROMOTE AND SUPPORT THE INTERESTS AND PURPOSES OF THOSE SUPPORTED ORGANIZATIONS SPECIFIED IN MEMORIAL HEALTH SYSTEM'S ORGANIZING DOCUMENTS

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION C, LINE 1	MEMORIAL HEALTH SYSTEM IS THE PARENT AND SOLE CORPORATE MEMBER OF EACH OF ITS SUPPORTED ORGANIZATIONS IN ITS CAPACITY AS THE SOLE CORPORATE MEMBER, MEMORIAL HEALTH SYSTEM PROVIDES OVERALL DIRECTION, MANAGEMENT AND CONTROL OVER ITS SUPPORTED ORGANIZATIONS MEMORIAL HEALTH SYSTEM ALSO HAS CERTAIN RESERVED POWERS FOR EXAMPLE, ALL CAPITAL AND OPERATING BUDGETS MUST BE APPROVED BY MEMORIAL HEALTH SYSTEM

Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

Form 990, Sch A, Part I, Line 12g - Provide the following information about the supported organization(s).

(i)Name of supported organization	(ii)EIN	(iii) Type of organization (described on lines 1- 9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A) MEMORIAL MEDICAL CENTER	370661220	3		No	46,738,152	0
(A) PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION	370661230	3		No	2,115,406	0
(B) ABRAHAM LINCOLN MEMORIAL HOSPITAL	370723793	3		No	1,299,999	0
(C) TAYLORVILLE MEMORIAL HOSPITAL	370661250	3		No	1,219,759	0
(D) MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	370646367	7		No	684,334	0
(E) SPRINGFIELD RESIDENTIAL SERVICES	371298589	7		No	0	0
(F) ABRAHAM LINCOLN HEALTHCARE FOUNDATION	363492268	7		No	0	0
(G) MEMORIAL MEDICAL CENTER FOUNDATION	371110301	7		No	0	0
(H) MEMORIAL HOME SERVICES	370714225	7		No	844,566	0
(I) MEMORIAL PHYSICIAN SERVICES	371181194	10		No	3,418,223	0
(J) MEMORIAL HEALTH VENTURES	363492266	10		No	39,216	0

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 MEMORIAL HEALTH SYSTEM	Employer identification number 37-1110690
--	---

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	Yes		128,250
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?		No	
j	Total. Add lines 1c through 1i			128,250
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	MEMORIAL HEALTH SYSTEM ENGAGES LOBBYISTS TO ASSIST IT IN SECURING FEDERAL GRANTS AND MONITORING STATE REGULATIONS IN SUPPORT OF FURTHERING THE MEMORIAL HEALTH SYSTEM MISSION WHICH IS "TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE" THIS INCLUDES ASSISTING MEMORIAL HEALTH SYSTEM IN DEVELOPING PRESENTATIONS TO THE ILLINOIS CONGRESSIONAL DELEGATION, REQUESTING APPROPRIATIONS FOR PRIORITY PROJECTS INVOLVING LOCAL PATIENT SAFETY, QUALITY IMPROVEMENT AND IMPROVED LOCAL ACCESS TO MEDICAL CARE. THE LOBBYISTS ALSO ASSIST MEMORIAL IN COMMUNICATING THE IMPORTANCE OF ADEQUATE MEDICAID FUNDING IN SUPPORT OF THE SUBSTANTIAL SERVICES MEMORIAL'S AFFILIATES PROVIDE TO THOSE IN POVERTY AND IN MONITORING LEGISLATIVE AND REGULATORY DEVELOPMENTS THAT WOULD AFFECT MEMORIAL HEALTH SYSTEM'S ABILITY TO CONTINUE DELIVERING ITS SUBSTANTIAL COMMUNITY BENEFIT

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
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

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

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

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?

☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

☐ Yes ☐ No

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

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

☐ Preservation of land for public use (e g , recreation or education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

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

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

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

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

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

► \$

(ii) Assets included in Form 990, Part X

► \$

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

a Revenue included on Form 990, Part VIII, line 1

► \$

b Assets included in Form 990, Part X

► \$

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements.

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☒ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

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

☐

Part V

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

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

4

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

Part VI

Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	3,002,004	20,590,052		23,592,056
b Buildings	165,661,005	69,986,645	88,284,873	147,362,777
c Leasehold improvements				
d Equipment	6,913,161	66,239,829	61,752,207	11,400,783
e Other	1,078,665	16,015,340	2,119,833	14,974,172
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				197,329,788

Part VII

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

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

Part VIII

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

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

Part IX

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

(a) Description	(b) Book value
(1) UNAMORTIZED BOND DISCOUNTS AND ISSUE COSTS	576,000
(2) DUE FROM AFFILIATES	802,556
(3) LIFE INSURANCE - VARIOUS AGREEMENTS	3,576,287
(4) ENVISION PLUS POLICY ASSET	30,588
(5) INTERCOMPANY DEBT FROM RELATED ENTITIES	283,625,923
(6) NOTES RECEIVABLES FROM AFFILIATES FOR SALE OF AR	847,605
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	289,458,959

Part X

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
See Additional Data Table	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	35,081,662

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

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

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

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

1	(a) Description of Liability	(b) Book Value
	DEFERRED COMPENSATION	8,961,620
	WORKERS' COMPENSATION	345,216
	RESERVE FOR POST EMPLOYMENT BENEFITS	3,871,730
	DUE TO AFFILIATES	137,094
	SWAP LIABILITY	696,972
	RESTORATION PLAN	2,770,825
	CONTRIBUTION PAYABLE	250,000
	CURRENT PORTION BENEFITS	877,985
	NOTES PAYABLE TO AFFILIATES FOR SALE OF AR	400,220
	QLICI LOANS	16,770,000

Supplemental Information

Return Reference	Explanation
PART X, LINE 2	<p>THE AUTHORITATIVE GUIDANCE IN ASC 740, INCOME TAXES, CREATES A SINGLE MODEL TO ADDRESS UNCERTAINTY IN TAX POSITIONS AND CLARIFIES THE ACCOUNTING FOR INCOME TAXES BY PRESCRIBING THE MINIMUM RECOGNITION THRESHOLD A TAX POSITION IS REQUIRED TO MEET BEFORE BEING RECOGNIZED IN THE FINANCIAL STATEMENTS UNDER THE REQUIREMENTS OF THIS GUIDANCE, TAX-EXEMPT ORGANIZATIONS COULD BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS EACH OF MEMORIAL HEALTH SYSTEM'S SUBSIDIARIES, EXCLUDING THOSE DESCRIBED IN THE FOLLOWING PARAGRAPH, IS A SEPARATELY INCORPORATED NOT-FOR-PROFIT CORPORATION AS DESCRIBED UNDER SECTION 501(C)(3) OF THE CODE AND IS TAX-EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE THEY DO, HOWEVER, OPERATE CERTAIN PROGRAMS THAT MAY RESULT IN UNRELATED BUSINESS INCOME UPON REVIEW AS REQUIRED BY ASC 740, NO TAX PROVISION WAS RECORDED FOR THE YEARS ENDED SEPTEMBER 30, 2018 OR 2017 MEMORIAL HEALTH SYSTEM IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO 2014 MHS QALICB, LLC (QALICB), MCDEKK, LLC (MCDEKK), AND MEMORIAL HEALTH PARTNERS (MHP) ARE CONSIDERED DISREGARDED ENTITIES FOR TAX PURPOSES AND ARE EXEMPT FROM INCOME TAX MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS (MHSCI) IS A TAXABLE FOR-PROFIT CORPORATION AND PASSAVANT PHYSICIAN ASSOCIATION (PPA) IS A TAXABLE NOT-FOR-PROFIT CORPORATION BOTH ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES</p>

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493226017979

Schedule I
(Form 990)

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States
Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2017
Open to Public
Inspection

Department of the
Treasury
Internal Revenue Service

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) See Additional Data							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

- 2

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

11
- 3

Enter total number of other organizations listed in the line 1 table

2

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) EDUCATION GRANT	9	27,226			
(2) EDUCATION TUITION REIMBURSEMENT	11	16,586			
(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	MHS PROVIDES GRANTS PRIMARILY TO LOCALLY MANAGED 501(C)(3) ORGANIZATIONS THAT SUPPORT OR SHARE THE MISSION OF MHS REQUESTS TO SUPPORT INITIATIVES IN LINE WITH MHS'S COMMUNITY HEALTH NEEDS ASSESSMENT PRIORITIES RECEIVE SPECIAL CONSIDERATION SENIOR LEADERSHIP MUST APPROVE ALL GRANTS MHS EMPLOYEES ARE VOLUNTEER BOARD MEMBERS OR PARTICIPATE AS VOLUNTEERS FOR SOME OF THE ORGANIZATIONS THAT MHS ASSISTS WHEN AN ORGANIZATION IS GIVEN A DONATION, IT EITHER AGREES TO RESTRICT THE DONATION TO THE PURPOSE FOR WHICH IT WAS REQUESTED OR IT RECEIVES A LETTER DIRECTING THAT DONATION MAY BE USED ONLY FOR THE APPROVED GRANT'S PURPOSE ADDITIONALLY, EMPLOYEES FREQUENTLY ATTEND MANY OF THE SPONSORED EVENTS OR MHS RECEIVES ACKNOWLEDGEMENT FROM THE ORGANIZATION ABOUT THE PROGRAM THAT WAS SUPPORTED BY THE GRANT

Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF CENTRAL ILLINOIS INC 1999 WEST WABASH AVENUE SUITE 107 SPRINGFIELD, IL 62704	37-0716060	501(C)(3)	203,247				SUPPORT FOR UNITED WAY COMMUNITY FUND
GREATER SPRINGFIELD CHAMBER OF COMMERCE 1011 S SECOND STREET SPRINGFIELD, IL 62704	37-0710280	501(C)(6)	98,000				SEE PART IVPARTICIPATE IN A PUBLIC AND PRIVATE ECONOMIC GROWTH PARTNERSHIP LED BY THE CHAMBER OF COMMERCE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CONTACT MINISTRIES 1100 E ADAMS SPRINGFIELD, IL 62703	37-1072627	501(C)(3)	5,000				SEE PART IV PROVIDE SUPPORT FOR HOMELESS SHELTER, FOOD, CLOTHING, LIFE SKILLS EDUCATION, AND FINANCIAL ASSISTANCE FOR THE GREATER SPRINGFIELD COMMUNITY
BOYS & GIRLS CLUBS OF CENTRAL ILLINOIS 300 S 15TH ST SPRINGFIELD, IL 62703	37-0752849	501(C)(3)	50,000				SEE PART IV PROVIDE SUPPORT TO INSPIRE AND ENABLE ALL YOUNG PEOPLE TO REACH THEIR FULL POTENTIAL AS PRODUCTIVE, CARING, AND RESPONSIBLE CITIZENS

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.							
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 N 8TH ST SPRINGFIELD, IL 62702	37-0646367	501(C)(3)	137,980				SEE PART IV PROVIDE SUPPORT FOR MEMORIAL BEHAVIORAL HEALTH'S CHILDREN'S MOSAIC PROGRAM, WHICH INCREASES ACCESS TO MENTAL HEALTH SERVICES FOR CHILDREN AND FAMILIES IN ADDITION, TO PROVIDE SUPPORT FOR INITIATION OF A MENTAL HEALTH FIRST AID PROJECT IN SANGAMON, LOGAN, MORGAN AND CHRISTIAN COUNTIES THIS PROGRAM IS HELPING ALL FOUR MHS HOSPITALS ADDRESS MENTAL HEALTH, WHICH WAS A PRIORITY IDENTIFIED BY EACH HOSPITAL'S 2015 COMMUNITY HEALTH NEEDS ASSESSMENT
MERCY COMMUNITIES INC 1344 N 5TH STREET SPRINGFIELD, IL 62702	37-1383599	501(C)(3)	10,000				SEE PART IV PROVIDE ASSISTANCE TO HOMELESS YOUNG WOMEN AND THEIR CHILDREN TO ACHIEVE STABILITY IN THEIR LIVES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SPARC 232 BRUNS LANE SPRINGFIELD, IL 62702	37-0717761	501(C)(3)	14,500				SEE PART IV PROVIDE SUPPORT TO HELP INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES IMPROVE THE QUALITY OF THEIR LIVES
SIU SCHOOL OF MEDICINE PO BOX 19666 SPRINGFIELD, IL 62794	37-6005961	501(C)(3)	109,349				SEE PART IV DONATION TO PROVIDE SUPPORT FOR THE ENOS PARK ACCESS TO CARE COLLABORATIVE, A PROGRAM THAT IS ADDRESSING ACCESS TO CARE, A PRIORITY IDENTIFIED BY MMC'S 2015 COMMUNITY HEALTH NEEDS ASSESSMENT ADDITIONAL DONATION MADE FOR FURNISHING AND SUPPLIES FOR ACADEMIC RESOURCE CENTER ADDITIONAL DONATION WAS MADE FOR CHARITY 5K RACE WHERE PROCEEDS OF RACE WENT TO MERCY COMMUNITIES

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.							
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GIRLS ON THE RUN OF CENTRAL ILLINOIS 907 CLOCKTOWER DRIVE SPRINGFIELD, IL 62704	27-1822009	501(C)(3)	7,500				SEE PART IV PROVIDE SUPPORT FOR POSITIVE YOUTH DEVELOPMENT FOR GIRLS, 3RD-8TH GRADE LIFE SKILLS ARE TAUGHT THROUGH DYNAMIC INTERACTIVE LESSONS AND RUNNING GAMES THE GOAL OF THE PROGRAM IS TO UNLEASH CONFIDENCE THROUGH ACCOMPLISHMENT WHILE ESTABLISHING A LIFETIME APPRECIATION OF HEALTH AND FITNESS
CENTRAL IL FOOD BANK 1937 E COOK STREET SPRINGFIELD, IL 62703	37-1106465	501(C)(3)	5,000				SEE PART IV DONATION TO PROVIDE SUPPORT FOR CENTRAL ILLINOIS FOODBANK'S MISSION TO DISTRIBUTE FOOD AND GROCERY ITEMS TO OTHER CHARITABLE ORGANIZATIONS, AND TO WORK WITH ORGANIZATIONS TO DEVELOP CREATIVE SOLUTIONS TO END HUNGER IN 21 COUNTIES IN CENTRAL AND SOUTHERN ILLINOIS

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.							
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ILLINOIS STATE DENTAL 1010 SOUTH SECOND STREET SPRINGFIELD, IL 62704	23-7244932	501(C)(3)	25,000				SEE PART IV PROVIDE SUPPORT FOR FREE DENTAL CARE TO THE UNINSURED AND UNDERINSURED
KIDZEUM 412 E ADAMS STREET SPRINGFIELD, IL 62701	37-1320003	501(C)(3)	50,000				SEE PART IV PROVIDE SUPPORT FOR THE KIDZEUM HEALTH AND SCIENCE MUSEUM WHICH HAS A VERY STRONG HEALTH EDUCATION COMPONENT FOR CHILDREN

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.							
(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ONE SANGAMON SCHOOLS PO BOX 20285 SPRINGFIELD, IL 62708			10,000				SEE PART IV PROVIDE SUPPORT FOR BALLOT INITIATIVE TO SUPPORT SANGAMON COUNTY SALES TAX INCREASE FOR SCHOOL DISTRICT CAPITAL IMPROVEMENT PLANS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- 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.**

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number

37-1110690

Part I Questions Regarding Compensation

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

- | | |
|--|--|
| <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) |

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

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?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" 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 |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," on line 5a or 5b, describe in Part III

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," on line 6a or 6b, describe in Part III

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

No

4b

Yes

4c

No

5a

No

5b

No

6a

No

6b

No

7

No

8

No

9

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

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

See Additional Data Table

Schedule J (Form 990) 2017

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
PART I, LINE 3	COMPENSATION AND BENEFITS RECEIVED BY EDGAR CURTIS, PRESIDENT AND CEO OF MEMORIAL HEALTH SYSTEM, WAS COMPRISED OF THE FOLLOWING COMPONENTS, BASE COMPENSATION, INCENTIVE COMPENSATION, OTHER COMPENSATION, RETIREMENT/DEFERRED COMPENSATION AND OTHER NONTAXABLE BENEFITS. BASE COMPENSATION FOR MR. CURTIS WAS DETERMINED BASED ON THE METHODS DESCRIBED IN PART I, LINE 3 CONDUCTED BY INDEPENDENT COMPENSATION CONSULTANTS. BASE COMPENSATION LEVELS WERE SET BY THE LEADERSHIP COMPENSATION COMMITTEE, A COMMITTEE OF THE MHS BOARD CONSISTING ENTIRELY OF MHS BOARD MEMBERS WHO ARE INDEPENDENT AND WHO ARE FREE OF ANY CONFLICTS OF INTEREST, AROUND THE MIDDLE OF THE MARKET SALARY DATA, AS MEASURED AND PRESENTED TO THE COMMITTEE BY THE INDEPENDENT COMPENSATION CONSULTANT. INCENTIVE COMPENSATION WAS CONTINGENT ON THE ACHIEVEMENT OF SPECIFIC PERFORMANCE METRICS OF MHS, AS REVIEWED AND APPROVED IN ADVANCE BY THE MHS BOARD. RETIREMENT COMPENSATION IN COLUMNS (B)(III) AND (C) IS THE YEAR'S NORMAL INCREASE IN TOTAL RETIREMENT BENEFITS PROVIDED TO THE EXECUTIVE FOR HIS ENTIRE TERM OF SERVICE TO THE ORGANIZATION. THE RETIREMENT BENEFITS IN COLUMN (C) ARE UNVESTED, AND WILL BE FORFEITED IF THE EXECUTIVE DOES NOT SATISFY FUTURE SERVICE REQUIREMENTS.
PART I, LINE 4B	ONE OR MORE LISTED INDIVIDUALS PARTICIPATES IN NONQUALIFIED DEFERRED COMPENSATION PLANS MAINTAINED BY MEMORIAL HEALTH SYSTEM. MHS CREDITS ANNUAL CONTRIBUTION AMOUNTS TO THESE PLANS, AND THESE AMOUNTS SERVE TO PROVIDE SUPPLEMENTAL RETIREMENT INCOME TO THESE INDIVIDUALS. ALL CREDITED AMOUNTS ARE REVIEWED AND APPROVED BY A COMMITTEE OF THE MHS BOARD AS PART OF REASONABLE TOTAL COMPENSATION. ALL AMOUNTS CREDITED ARE UNVESTED WHILE THE EXECUTIVE IS REQUIRED TO PROVIDE SUBSTANTIAL FUTURE SERVICES, AND THEN ARE TAXED IN FULL WHEN THE SERVICE PERIOD IS COMPLETED AND THE AMOUNTS BECOME VESTED. ALL AMOUNTS CREDITED TO THESE EXECUTIVES UNDER THESE PLANS ARE INCLUDED IN COLUMN (C) AS UNVESTED, NONTAXABLE DEFERRED COMPENSATION WHEN FIRST CREDITED, AND THEN ARE AGAIN INCLUDED IN COLUMN (B)(III) WHEN THE AMOUNTS BECOME VESTED AND ARE SUBJECT TO TAX. THE FOLLOWING CURRENT OR FORMER OFFICERS, KEY EMPLOYEES, AND HIGHEST COMPENSATED EMPLOYEES RECEIVED DEFERRED COMPENSATION PAYOUTS IN THE CALENDAR YEAR FROM THE ORGANIZATION OR A RELATED ORGANIZATION, MEMORIAL MEDICAL CENTER: AIMEE ALLBRITTON \$7,312, DOLAN DALPOAS \$28,932, J. TRAVIS DOWELL \$24,293, KEVIN ENGLAND, \$2,523, MITCH JOHNSON \$95,159, AND SCOTT KIRIAKOS \$33,517. TO BECOME ENTITLED TO THE BENEFITS PROVIDED, EACH COVERED EMPLOYEE MUST MEET SUBSTANTIAL REQUIREMENTS RELATING TO FURTHER EMPLOYMENT. UNTIL THOSE REQUIREMENTS ARE SATISFIED, IF EVER, THE EMPLOYEE IS NOT ENTITLED TO THESE AMOUNTS. IF THE EMPLOYEE WERE TO HAVE TERMINATED EMPLOYMENT VOLUNTARILY IN THE YEAR TO WHICH THIS RETURN APPLIES AND NOT MET THESE SUBSTANTIAL REQUIREMENTS, THESE SUPPLEMENTAL RETIREMENT BENEFITS WOULD HAVE BEEN FORFEITED. THESE SUPPLEMENTAL RETIREMENT BENEFITS ARE PART OF A RETIREMENT PROGRAM THAT PROVIDES RETIREMENT INCOME FOR ALL YEARS OF SERVICE THAT THE EMPLOYEE PROVIDES TO THE ORGANIZATION. ACCORDINGLY, ANY RETIREMENT BENEFITS SHOULD BE VIEWED AS APPLYING TO THE ENTIRE LENGTH OF THE EMPLOYEE'S SERVICE. THE LEADERSHIP COMPENSATION COMMITTEE OF THE MHS BOARD APPROVES ALL RETIREMENT BENEFITS, TOGETHER WITH ALL OTHER FORMS OF COMPENSATION AND BENEFITS FOR THESE AND OTHER SYSTEM LEADERS, IN A MANNER INTENDED TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL INCOME TAX LAW.

Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1EDGAR CURTIS EX-OFFICIO PRESIDENT & CEO	(i)	832,114	367,500	77,373	290,238	19,157	1,586,382	0
	(ii)	0	0	0	0	0	0	0
1ROBERT KAY SVP & CFO & ASST TREASURER	(i)	454,858	162,021	18,929	207,925	20,914	864,647	0
	(ii)	0	0	0	0	0	0	0
2MITCHELL JOHNSON SVP & CHIEF STRTGY OFFCR (THRUDEC17)	(i)	294,959	105,786	110,272	104,662	18,557	634,236	33,070
	(ii)	0	0	0	0	0	0	0
3DAVID GRAHAM MD SVP & CIO	(i)	408,145	144,817	25,342	152,989	16,496	747,789	0
	(ii)	0	0	0	0	0	0	0
4ROBERT SCOTT VP & CHRO	(i)	278,708	70,593	21,933	44,123	25,303	440,660	0
	(ii)	0	0	0	0	0	0	0
5KEVIN ENGLAND VPBUSDEV (THRUSEP17)/SVPBUSDEV	(i)	227,066	76,088	29,429	153,803	27,795	514,181	0
	(ii)	0	0	0	0	0	0	0
6ANNA EVANS JD GEN COUNSEL/VP INT AUDIT & COMPL	(i)	344,893	88,532	6,774	109,703	28,098	578,000	0
	(ii)	0	0	0	0	0	0	0
7CHARLES CALLAHAN PHD EVP & COO	(i)	0	0	0	0	0	0	0
	(ii)	452,091	161,739	92,857	164,676	28,750	900,113	0
8SCOTT KIRIAKOS SVP CLINICAL INTEGRATION (THRUDEC17)	(i)	0	0	0	0	0	0	0
	(ii)	334,678	119,533	47,441	111,379	18,117	631,148	0
9RAJESH GOVINDAIAH MD SVP & CMO	(i)	424,137	151,559	29,049	76,488	10,176	691,409	0
	(ii)	0	0	0	0	0	0	0
10AIMEE ALLBRITTON PHD VP & CLO	(i)	280,102	71,774	36,504	51,953	18,059	458,392	5,291
	(ii)	0	0	0	0	0	0	0
11KIMBERLY BOURNE PRESIDENT TMH & CEO TMH	(i)	241,281	61,208	16,769	50,856	25,132	395,246	0
	(ii)	0	0	0	0	0	0	0
12J TRAVIS DOWELL PRESIDENT MPS & VP MPS	(i)	237,164	60,248	36,120	48,090	24,541	406,163	19,796
	(ii)	0	0	0	0	0	0	0
13DOLAN DALPOAS PRESIDENT ALMH & CEO ALMH	(i)	271,997	67,999	50,424	53,315	405	444,140	20,384
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization
MEMORIAL HEALTH SYSTEM

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
► Attach to Form 990.
► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Employer identification number
37-1110690

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ILLINOIS HEALTH FACILITIES AUTHORITY	36-2780046	45200P2U4	12-17-2003	31,000,000	SEE PART VI		X		X		X
B ILLINOIS FINANCE AUTHORITY	86-1091967	45200FJ59	12-22-2009	147,401,639	SEE PART VI		X		X		X
C ILLINOIS FINANCE AUTHORITY	86-1091967	45203HYQ9	01-30-2014	60,465,495	SEE PART VI		X		X		X
D ILLINOIS FINANCE AUTHORITY	86-1091967		05-15-2014	60,000,000	SEE PART VI		X		X		X

Part II

Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		15,920,000		5,465,000		2,195,000		2,435,000
2 Amount of bonds legally defeased								
3 Total proceeds of issue		31,100,606		147,556,074		60,471,350		60,000,000
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		329,438		1,350,000				
8 Credit enhancement from proceeds		110,306						
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		19,254,302		146,206,074		60,471,350		60,000,000
11 Other spent proceeds		11,406,560						
12 Other unspent proceeds								
13 Year of substantial completion	2004		2011		2015		2015	
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2 Are there any lease arrangements that may result in private business use of bond-financed property?	X		X			X		X

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X			X		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c Are there any research agreements that may result in private business use of bond-financed property?	X		X			X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 030 %		1 840 %					
6 Total of lines 4 and 5	0 030 %		1 840 %					
7 Does the bond issue meet the private security or payment test? . . .		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . .								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . .		X		X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X	X		X	
b Exception to rebate?		X		X		X		X
c No rebate due?	X		X			X		X
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X			X		X	X	
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b Name of provider	US BANCORP PIPER JAFFRAY FINANCIAL							
c Term of hedge	1880 0000000000 %							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

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

Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	<p>SCHEDULE K PART I, COLUMN (F) CONTINUATIONS ONE PURPOSE OF THE 2003 ISSUE WAS TO CURRENT REFUND \$10,980,000 OF THE 1993 SERIES BONDS ISSUED ON 8/5/93 IN THE AMOUNT OF \$21,245,000 PROCEEDS WERE ALSO USED TO PAY ISSUANCE EXPENSES AND TO PURCHASE EQUIPMENT AND SOFTWARE FOR MEMORIAL HEALTH SYSTEM PROCEEDS WERE ALSO USED FOR CONSTRUCTION AND HEALTHCARE BUILDING IMPROVEMENTS AND TO CONSTRUCT AND EQUIP AN OUTPATIENT PSYCHIATRIC FACILITY THE PURPOSE OF THE 2009 ISSUE WAS TO PAY ISSUANCE COSTS, CONSTRUCT AND EQUIP A REPLACEMENT HOSPITAL FACILITY FOR ABRAHAM LINCOLN MEMORIAL HOSPITAL, RENOVATE AND REMODEL TAYLORVILLE MEMORIAL HOSPITAL, RENOVATE, REMODEL, AND EQUIP MEMORIAL MEDICAL CENTER, CONSTRUCT A PARKING GARAGE ADJACENT TO MEMORIAL MEDICAL CENTER, CONSTRUCT AND EQUIP A WOUND CARE CENTER, RENOVATE A PAIN CLINIC, CONSTRUCT AND EQUIP A CONSOLIDATED IMAGING SERVICES AREA, PURCHASE VARIOUS PARCELS OF REAL PROPERTY IN SPRINGFIELD, IL AND TAYLORVILLE, IL FOR FUTURE EXPANSION OF EXISTING FACILITIES, CONSTRUCT AND EQUIP A SPACE FOR PHYSICAL THERAPY OWNED BY MEMORIAL MEDICAL CENTER AND LOCATED WITHIN THE NEW YMCA IN SPRINGFIELD, IL, AND ROUTINE CAPITAL EXPENDITURES THE PURPOSE OF THE 2014A ISSUE WAS (A) TO REPAY TAXABLE DEBT IN THE AMOUNT OF \$25,057,493 USED FOR PAYMENT OF THE COST OF ACQUIRING, CONSTRUCTING, RENOVATING, REMODELING AND EQUIPPING HEALTH FACILITIES AT MEMORIAL MEDICAL CENTER, AND (B) FOR PAYING ADDITIONAL COSTS OF THOSE PROJECTS NOT PREVIOUSLY FINANCED WITH THE TAXABLE DEBT THE PURPOSE OF THE 2014B ISSUE WAS FOR THE PAYMENT OF ACQUIRING, CONSTRUCTING, RENOVATING, REMODELING AND EQUIPPING HEALTH FACILITIES AT MEMORIAL MEDICAL CENTER THE PURPOSE OF THE 2015 ISSUE WAS TO CURRENT REFUND \$22,432,282 OF THE CITY OF JACKSONVILLE ILLINOIS ADJUSTABLE RATE DEMAND INDUSTRIAL REVENUE IMPROVEMENT BONDS, SERIES 2006B THE PROCEEDS WERE ALSO USED TO PAY ISSUANCE EXPENSES OF THE BOND ISSUANCE SCHEDULE K PART II, LINE 3 TOTAL PROCEEDS ISSUED AMOUNT IN COLUMNS A, B, & C DOESN'T TIE TO PART I COLUMN (E) DUE TO INVESTMENT EARNINGS INCLUDED IN PART II, LINE 3 SCHEDULE K PART III, LINE 3B & 3D MEMORIAL HEALTH SYSTEM'S INTERNAL COUNSEL, AS WELL AS EXTERNAL BOND COUNSEL, ROUTINELY REVIEWS MANAGEMENT AND SERVICE CONTRACTS AND RESEARCH AGREEMENTS RELATING TO FINANCED PROPERTY SCHEDULE K PART IV, LINE 1 THE ARBITRAGE REBATE FILING IS ONLY REQUIRED EVERY 5 YEARS, AND NO REBATABLE ARBITRAGE HAS BEEN EARNED FOR ISSUES AT SUCH 5 YEAR ANNIVERSARIES SCHEDULE K PART IV, LINE 2C THE REBATE COMPUTATION FOR COLUMN A WAS PERFORMED ON 12/17/2013 THE REBATE COMPUTATION FOR COLUMN B WAS PERFORMED ON 12/22/2014, AND NO REBATABLE ARBITRAGE HAS BEEN EARNED FOR THESE ISSUES AT SUCH 5 YEAR ANNIVERSARIES SCHEDULE K PART IV, LINE 4B THE PROVIDER'S FULL NAME FOR COLUMN A IS U S BANCORP PIPER JAFFRAY FINANCIAL PRODUCTS INC</p>

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service
Name of the organization
MEMORIAL HEALTH SYSTEM

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
► Attach to Form 990.
► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Employer identification number
37-1110690

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ILLINOIS FINANCE AUTHORITY	86-1091967		11-30-2015	22,778,000	SEE PART VI		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired	2,554,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	22,778,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	22,432,282							
7	Issuance costs from proceeds	345,718							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	2 650 %							
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6 Total of lines 4 and 5	2 650 %							
7 Does the bond issue meet the private security or payment test? . . .		X						
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . .								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?		X						
c No rebate due?		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X							
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

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

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) LEVI RAY AND SHOUP INC	SEE PART V	2,462,168	SEE PART V		No
(2) SPRINGFIELD CLINIC LLP	SEE PART V	873,979	SEE PART V		No
(3) GREATER SPRINGFIELD CHAMBER OF COMMERCE	SEE PART V	128,065	SEE PART V		No
(4) HENRY HURWITZ	SEE PART V	66,193	SEE PART V		No

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	(A) NAME OF PERSON LEVI, RAY AND SHOUP, INC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION BOARD MEMBER IS THE OWNER OF LEVI, RAY AND SHOUP, INC(C) AMOUNT OF TRANSACTION \$2,462,168 (D) DESCRIPTION OF TRANSACTION MEMORIAL HEALTH SYSTEM PAID FEES TO LEVI, RAY AND SHOUP, INC FOR SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2018 RICHARD H LEVI IS A MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS AND IS OWNER OF LEVI, RAY AND SHOUP, INC ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED (E) SHARING OF ORGANIZATION REVENUES? = NO
(A) NAME OF PERSON SPRINGFIELD CLINIC, LLP	(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION BOARD MEMBER IS A PARTNER AND BOARD MEMBER OF SPRINGFIELD CLINIC, LLP(C) AMOUNT OF TRANSACTION \$873,979(D) DESCRIPTION OF TRANSACTION MEMORIAL HEALTH SYSTEM PAID FEES TO SPRINGFIELD CLINIC, LLP FOR THE YEAR ENDED SEPTEMBER 30, 2018 A PHYSICIAN AND BOARD MEMBER OF THIS COMPANY, WILLIAM D PUTMAN, M D , IS ALSO A MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS ALL FEES ARE NEGOTIATED AT ARM'S LENGTH AND ARE AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED (E) SHARING OF ORGANIZATION REVENUES? = NO
(A) NAME OF PERSON GREATER SPRINGFIELD CHAMBER OF COMMERCE	(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION BOARD MEMBER IS A BOARD MEMBER OF THE GREATER SPRINGFIELD CHAMBER OF COMMERCE(C) AMOUNT OF TRANSACTION \$128,065 (D) DESCRIPTION OF TRANSACTION MEMORIAL HEALTH SYSTEM PAID FEES TO GREATER SPRINGFIELD CHAMBER OF COMMERCE FOR SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2018 DIANE RUTLEDGE IS A MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS AND IS A MEMBER OF GREATER SPRINGFIELD CHAMBER OF COMMERCE ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED (E) SHARING OF ORGANIZATION REVENUES? = NO
(A) NAME OF PERSON HENRY HURWITZ	(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION EMPLOYEE, SON OF JOSEPH HURWITZ, MHS BOARD MEMBER(C) AMOUNT OF TRANSACTION \$66,193 (D) DESCRIPTION OF TRANSACTION MEMORIAL HEALTH SYSTEM PAID COMPENSATION AND BENEFITS OF \$66,193 TO HENRY HURWITZ RELATED TO EMPLOYMENT SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2018 HENRY HURWITZ IS THE SON OF JOSEPH HURWITZ, MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS THE COMPENSATION PAID WAS NEGOTIATED AT ARM'S LENGTH AND REPRESENTS FAIR MARKET VALUE FOR THE SERVICES PROVIDED (E) SHARING OF ORGANIZATION REVENUES? = NO

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -	DLN: 93493226017979
SCHEDULE O (Form 990 or 990-EZ) <small>Department of the Treasury Internal Revenue Service</small>	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ. ▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990 .		OMB No 1545-0047
			2017 Open to Public Inspection
Name of the organization MEMORIAL HEALTH SYSTEM		Employer identification number 37-1110690	

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENT CONT	<p>MORE THAN 3,200 STUDENTS ARE NOW BEING REACHED WITH CATCH MESSAGING, SUPPORTED BY THE HOSPITAL'S LEADERSHIP OF THE PROGRAM. ALMH'S BREASTFEEDING INITIATIVE CONTINUES TO GROW, BREASTFEEDING INITIATION RATES AT ALMH INCREASED FROM 64.1% IN FY17 TO 71.2% IN FY18. ALMH BUILT A COMMUNITY WALKING TRAIL ON ITS CAMPUS THAT OPENED IN 2017. TRAIL USE INCREASED FROM 4,452 LAPS IN FY17 TO 11,113 IN FY18. THE ALMH MARKET IS A LOCAL FARMER'S MARKET WHOSE AVERAGE WEEKLY ATTENDANCE IS 940 FROM MAY THROUGH EARLY FALL. THE MARKET OFFERED 904 FREE HEALTH SCREENINGS AND 21 WEEKLY POP CLUB ACTIVITIES, WHICH PROVIDE EDUCATION TO CHILDREN AGES 5-12 ABOUT THE FOOD SYSTEM AND HEALTHY EATING. TO ADDRESS MENTAL HEALTH, ALMH BROUGHT MENTAL HEALTH CLINICIANS WITH MEMORIAL BEHAVIORAL HEALTH'S MOSAIC PROGRAM INTO THE LOCAL JUNIOR HIGH SCHOOL TO OFFER SCREENINGS AND MENTAL HEALTH SERVICES WITHIN THE SCHOOL SETTING. ALSO IN FY2018, THE FOUR MHS HOSPITALS EACH COMPLETED NEW COMMUNITY HEALTH NEEDS ASSESSMENTS AND IDENTIFIED PRIORITIES TO ADDRESS IN FY2019-FY2021. THESE NEEDS ASSESSMENTS WERE DONE COLLABORATIVELY WITH LOCAL COUNTY HEALTH DEPARTMENTS AND INCLUDED INPUT FROM COMMUNITY ORGANIZATIONS THAT WORK WITH MEDICALLY UNDERSERVED, LOW-INCOME, AND MINORITY POPULATIONS, COMMUNITY SURVEYS AND FOCUS GROUPS. SENIOR LEADERSHIP AT EACH HOSPITAL, AT THE HEALTH SYSTEM, AND THE MHS BOARD'S COMMUNITY BENEFIT COMMITTEE HELPED OVERSEE THE CHNA PROCESS, AND THE CHNA PRIORITIES AND IMPLEMENTATION STRATEGIES WERE APPROVED BY EACH HOSPITAL'S BOARD. PRIORITIES IDENTIFIED ARE: MMC/SANGAMON COUNTY: ACCESS TO CARE, MENTAL HEALTH, SUBSTANCE ABUSE AND MOTHER/INFANT HEALTH, PASSAVANT AREA HOSPITAL/MORGAN COUNTY: ACCESS TO CARE, MENTAL HEALTH, TAYLORVILLE MEMORIAL HOSPITAL/CHRISTIAN COUNTY: MENTAL HEALTH AND SUBSTANCE ABUSE, AND ABRAHAM LINCOLN MEMORIAL HOSPITAL/LOGAN COUNTY: OBESITY, MENTAL HEALTH, SUBSTANCE ABUSE AND CANCER. TO CONTINUE TO IMPROVE THE ORGANIZATION'S POPULATION HEALTH, CHRONIC DISEASE MANAGEMENT AND CARE COORDINATION CAPABILITIES AND INFRASTRUCTURE, A MEMORIAL AMBULATORY HEALTH STRATEGIC PLAN IS IN PLACE TO IMPROVE INFORMATION SHARING TO BETTER COORDINATE CARE. A CROSS-MULTIPLE SITES OF CARE PLAN LAYS OUT A ROAD MAP FOR BETTER COORDINATING THE CARE PROVIDED BY OUR MENTAL HEALTH AFFILIATE, HOME SERVICES, HOSPICE, PRIMARY CARE PHYSICIAN OFFICES, DURABLE MEDICAL EQUIPMENT COMPANY, EXPRESSCARE CLINICS, MEMORIAL WEIGHT LOSS AND WELLNESS PROGRAM AND MEMORIAL CARE COORDINATION SERVICES. THE FOCUS OF THE PLAN IS TO STRENGTHEN OUR DATA AND WORKFLOWS AROUND THE POPULATION HEALTH BUILDING BLOCKS OF PHYSICIAN LEADERSHIP, WELLNESS AND PREVENTION, CLINICAL PROTOCOLS, CHRONIC DISEASE MANAGEMENT, POPULATION TARGETING, NETWORK MANAGEMENT, UTILIZATION MANAGEMENT, CARE MAP ADHERENCE, CARE MANAGEMENT, OUTREACH AND PATIENT ENGAGEMENT. OTHER KEY SUCCESSSES THIS YEAR DIRECTLY RELATED TO STRONG LEADERSHIP INCLUDE RETENTION OF THE MHS BOND RATING FROM MOODY'S INVESTOR SERVICES OF A1 WITH A STABLE OUTLOOK AS</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENT CONT	WELL AS RETAINING STANDARD & POOR'S RATING OF AA- WITH A STABLE OUTLOOK MHS EMPLOYEE ENGAGEMENT SCORES AT THE 94TH PERCENTILE OF THE NATIONAL COMPARISON GROUP AND POSITIVE CAHPS SATISFACTION SCORES AT ALL MHS HOSPITALS, MEMORIAL PHYSICIAN SERVICES (MPS) AND MEMORIAL HOME SERVICES THE ONGOING SUCCESS OF OUR MHS' GREAT PATIENT EXPERIENCE INITIATIVE RESULTED IN 14 OF OUR 24 PATIENT SATISFACTION SURVEYS ACROSS THE HEALTH SYSTEM SCORING AT OR ABOVE THE 75TH PERCENTILE OF THEIR RESPECTIVE NATIONAL PEER GROUPS SENIOR LEADERSHIP TEAM ALSO LED A SYSTEM-WIDE "STRENGTHEN OUR FUTURE" INITIATIVE TO IMPROVE PROCESSES AND REDUCE COST S WHILE IMPROVING QUALITY FOR PATIENTS THROUGH THIS INITIATIVE, COSTS WERE REDUCED BY \$38.3 MILLION IN FY18

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART IV, LINE 24A	ONE SCHEDULE K WAS COMPLETED AT THE PARENT (MEMORIAL HEALTH SYSTEM) LEVEL ONLY. MEMORIAL HEALTH SYSTEM IS SHOWING THE ENTIRE LIABILITY ON THE BALANCE SHEET WITH AN INTERCOMPANY DEBT FROM RELATED ENTITIES, AS CAN BE SEEN ON SCHEDULE D.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	MEMORIAL HEALTH SYSTEM BOARD MEMBERS RICHARD LEVI AND SERGIO PECORI HAVE A BUSINESS RELATIONSHIP MEMORIAL HEALTH SYSTEM BOARD MEMBER NINA HARRIS AND KEY EMPLOYEE MITCHELL JOHNSON HAVE A BUSINESS RELATIONSHIP MEMORIAL HEALTH SYSTEM BOARD MEMBERS TODD WISE AND DIANE RUTLEDGE HAVE A BUSINESS RELATIONSHIP

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE CORPORATION CONTAINS 102 INDIVIDUAL MEMBERS WHO ELECT THE BOARD OF DIRECTORS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE INDIVIDUAL MEMBERS OF THE CORPORATION HAVE THE POWER AND AUTHORITY TO ELECT THE CORPORATION'S BOARD OF DIRECTORS, AS WELL AS THE POWER AND AUTHORITY TO REMOVE MEMBER ELECTED DIRECTORS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	A FINAL DRAFT COPY OF THE MHS FORM 990 AND ALL ATTACHMENTS IS PROVIDED TO ALL OF THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS AND A BOARD COMMITTEE PRIOR TO FILING ALL QUESTIONS AND COMMENTS ARISING FROM THESE REVIEWS ARE ADDRESSED PRIOR TO SUBMISSION OF THE RETURN TO THE APPROPRIATE TAXING AUTHORITIES

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES OF THE CORPORATION ARE REQUIRED TO ANNUALLY REVIEW THE CONFLICT OF INTEREST POLICY AND COMPLETE A SPECIFIC DISCLOSURE STATEMENT WHICH IS ATTACHED TO THE POLICY. MEMORIAL HEALTH SYSTEM MONITORS AND ENFORCES ITS CONFLICT OF INTEREST POLICY BY IDENTIFYING ANY POTENTIAL CONFLICTS AT THE TIME EACH MEETING AGENDA IS PREPARED. ANY OFFICER OR DIRECTOR WHO HAS A CONFLICT IS NOTIFIED OF SUCH CONFLICT, AS WELL AS THEIR OBLIGATION TO ABSTAIN FROM THE DISCUSSION AND VOTE ON ANY CONFLICTED ISSUES(S). SUCH ABSTENTION(S), IF REQUIRED, ARE DOCUMENTED IN THE MINUTES OF EACH MEETING. BOARD MEMBERS ARE ALSO REQUIRED TO UPDATE THEIR CONFLICT OF INTEREST DISCLOSURE STATEMENTS PROMPTLY IN THE EVENT OF ANY CHANGE IN PERSONAL OR BUSINESS ACTIVITIES THAT WOULD REQUIRE SUCH DISCLOSURE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS HAS APPOINTED A LEADERSHIP COMPENSATION COMMITTEE MADE UP OF PAST AND PRESENT INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS, AND HAS DELEGATED TO IT THE RESPONSIBILITY OF ADMINISTERING, OVERSEEING AND APPROVING ALL FORMS OF COMPENSATION AND BENEFITS PROVIDED TO EXECUTIVE LEADERSHIP, INCLUDING THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER AND OTHER SENIOR VICE PRESIDENTS, WHO ARE KEY EMPLOYEES. THE BOARD HAS ADOPTED A LEADERSHIP COMPENSATION PHILOSOPHY STATEMENT DESCRIBING THE ROLE AND RESPONSIBILITIES OF THE COMMITTEE. THIS PHILOSOPHY EXPRESSLY STATES THE COMMITTEE'S INTENT, ON BEHALF OF THE CORPORATION, TO TAKE ALL THE STEPS NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES. THE COMMITTEE ANALYZES EVERY ELEMENT OF COMPENSATION (INCLUDING CURRENT, INCENTIVE AND DEFERRED COMPENSATION) AND BENEFITS (INCLUDING QUALIFIED AND NON-QUALIFIED BENEFITS). THE COMMITTEE CONDUCTS ITS REVIEW AND APPROVAL PROCESS AT LEAST ANNUALLY, AND APPROVES COMPENSATION AND BENEFITS ONLY TO THE EXTENT THAT THE COMMITTEE HAS CONCLUDED THAT THE COMPENSATION AND BENEFITS CONSTITUTE NO MORE THAN REASONABLE COMPENSATION FOR EACH EXECUTIVE. IN CONNECTION WITH THE MOST RECENT REVIEW AND APPROVAL PROCESS, THE COMMITTEE RECEIVED PROFESSIONAL ADVICE FROM AN INDEPENDENT CONSULTANT AND OUTSIDE LEGAL COUNSEL. THE COMMITTEE CONSISTS ENTIRELY OF PAST AND PRESENT DISINTEREST MEMBERS OF THE BOARD OR DISINTERESTED COMMITTEE MEMBERS WHO UNDER STATE CORPORATE LAW MAY SERVE ON SUCH A COMMITTEE. THE COMMITTEE WORKS WITH ITS COMPENSATION CONSULTANT TO PREPARE AND REVIEW IN ADVANCE COMPREHENSIVE DATA SHOWING THE COMPENSATION PROVIDED BY SIMILARLY SITUATE ORGANIZATIONS FOR FUNCTIONALLY SIMILAR POSITIONS. THE COMMITTEE ALSO PREPARES A TIMELY AND THOROUGH WRITTEN RECORD OF ITS PROCEDURAL CRITERIA NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS OF MEMORIAL HEALTH SYSTEM, SUCH AS ARTICLES OF INCORPORATION AND ANY AMENDMENTS THERETO, ARE AVAILABLE TO THE GENERAL PUBLIC THROUGH THE ILLINOIS SECRETARY OF STATE'S OFFICE THESE GOVERNING DOCUMENTS, AS WELL AS THE BYLAWS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS, ARE AVAILABLE UPON REQUEST FROM THE CORPORATION THESE DOCUMENTS ARE AVAILABLE FOR THE SAME PERIOD OF TIME AS SET FORTH IN IRC SECTION 6104(D)

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART VII	COMPENSATION REPORTED FOR CERTAIN INDIVIDUALS ARE BASED ON THE EMPLOYER WHO ISSUED PAYMENT HOURS ARE REPORTED TO REFLECT AVERAGE HOURS IN THEIR OPERATIONAL ROLE

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART VII, COLUMN (C)	DUE TO THE ENACTMENT OF IRC SECTION 512(A)(7) THERE IS A DISCREPANCY BETWEEN FORM 990, PART VII, COLUMN C AND FORM 990-T, LINE 13 FORM 990-T HAS A GREATER AMOUNT OF UNRELATED BUSINESS INCOME DUE TO THE INCLUSION OF DISALLOWED QUALIFIED TRANSPORTATION FRINGE BENEFITS ON FORM 990-T, LINE 12

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NONOPERATING RECONCILING ITEMS -4,712,388 CHANGE IN UNRESTRICTED NET ASSETS 9,073,211 RELATED PARTNERSHIP BOOK/TAX DIFF 135,264

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MEMORIAL HEALTH PARTNERS LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 46-3947269	TO COORDINATE PATIENT CARE ACTIVITIES ACROSS THE HEALTHCARE CONTINUUM	IL	3,373,181	3,256,944	MEMORIAL HEALTH SYSTEM
(2) MHS QALICB LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 47-5644450	TO FACILITATE NEW MARKETS TAX CREDITS TRANSACTIONS RELATED TO SIU	IL	1,885,111	20,010,005	MEMORIAL HEALTH SYSTEM
(3) MCDEKK LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 82-2701739	TO FACILITATE FACTORING OF RECEIVABLES	IL	0	410,221	MEMORIAL HEALTH SYSTEM

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

See Additional Data Table

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	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
(1) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC 701 NORTH FIRST ST SPRINGFIELD, IL 62781 37-1190216	PROVIDE DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO PATIENTS	IL	N/A	C				Yes	
(2) PASSAVANT PHYSICIAN ASSOCIATION 1600 WEST WALNUT JACKSONVILLE, IL 62650 26-1200566	PHYSICIAN SERVICES	IL	N/A	C				Yes	

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

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

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

See Additional Data Table

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

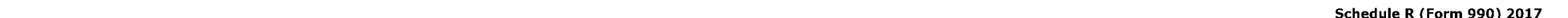
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

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

Return Reference	Explanation
SCHEDULE R, PART V, LINE 2	MEMORIAL HEALTH SYSTEM COLLECTED RENTAL INCOME FROM AFFILIATES DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 THE VALUES LISTED IN SCHEDULE R, PART V, LINE 2 WERE DETERMINED USING FAIR MARKET VALUE



Additional Data

Software ID:
Software Version:
EIN: 37-1110690
Name: MEMORIAL HEALTH SYSTEM

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity?	
						Yes	No
701 NORTH FIRST ST SPRINGFIELD, IL 627810001 37-0661220	HOSPITAL SERVICES	IL	501(C)(3)	LINE 3	MEMORIAL HEALTH SYSTEM	Yes	
701 NORTH FIRST ST SPRINGFIELD, IL 627810001 36-3492266	HEALTHCARE ACTIVITIES	IL	501(C)(3)	LINE 10	MEMORIAL HEALTH SYSTEM	Yes	
200 STAHLHUT DR LINCOLN, IL 62656 37-0723793	HOSPITAL SERVICES	IL	501(C)(3)	LINE 3	MEMORIAL HEALTH SYSTEM	Yes	
201 EAST PLEASANT TAYLORVILLE, IL 62568 37-0661250	HOSPITAL SERVICES	IL	501(C)(3)	LINE 3	MEMORIAL HEALTH SYSTEM	Yes	
720 NORTH BOND ST SPRINGFIELD, IL 627024915 37-0714225	HOME HEALTH, HOSPICE, AND CONTINUOUS CARE SERVICES	IL	501(C)(3)	LINE 7	MEMORIAL HEALTH SYSTEM	Yes	
701 NORTH FIRST ST SPRINGFIELD, IL 627810001 37-1181194	HEALTH CLINICS	IL	501(C)(3)	LINE 10	MEMORIAL HEALTH SYSTEM	Yes	
701 NORTH FIRST ST SPRINGFIELD, IL 62781 37-1110301	GRANTS TO HOSPITALS, OTHER CHARITABLE ORGANIZATIONS, AND SCHOLARSHIPS	IL	501(C)(3)	LINE 7	MEMORIAL MEDICAL CENTER	Yes	
201 EAST PLEASANT TAYLORVILLE, IL 62568 37-1337485	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	LINE 7	TAYLORVILLE MEMORIAL HOSPITAL	Yes	
710 NORTH EIGHTH ST SPRINGFIELD, IL 627026395 37-0646367	TRAINING, PSYCHIATRIC, AND RESIDENT SERVICES FOR MENTALLY ILL AND DISABLED	IL	501(C)(3)	LINE 7	MEMORIAL HEALTH SYSTEM	Yes	
200 STAHLHUT DR LINCOLN, IL 62656 36-3492268	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	LINE 7	MEMORIAL HEALTH SYSTEM	Yes	
710 NORTH EIGHTH ST SPRINGFIELD, IL 62702 37-1298589	RESIDENTIAL HUD HOUSING PROJECT FOR MENTALLY ILL	IL	501(C)(3)	LINE 7	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	Yes	
1600 WEST WALNUT JACKSONVILLE, IL 62650 37-0661230	HOSPITAL SERVICES	IL	501(C)(3)	LINE 3	MEMORIAL HEALTH SYSTEM	Yes	
1600 WEST WALNUT JACKSONVILLE, IL 62650 46-1037396	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	LINE 7	PASSAVANT MEM AREA HOSPITAL ASSOCIATION	Yes	
1600 WEST WALNUT JACKSONVILLE, IL 62650 27-3083265	CRNA SERVICES	IL	501(C)(3)	LINE 10	PASSAVANT MEM AREA HOSPITAL ASSOCIATION	Yes	

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

(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
MEMORIAL MEDICAL CENTER	A	4,296,993	FMV
MEMORIAL PHYSICIAN SERVICES	A	2,840,506	FMV
MEMORIAL PHYSICIAN SERVICES	B	18,519,834	FMV
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	B	225,000	FMV
MEMORIAL HEALTH VENTURES	C	1,200,000	FMV
TAYLORVILLE MEMORIAL HOSPITAL	B	204,999	FMV
MEMORIAL MEDICAL CENTER	C	23,499,026	FMV
MEMORIAL MEDICAL CENTER	J	4,296,993	FMV
MEMORIAL PHYSICIAN SERVICES	J	2,840,506	FMV
MEMORIAL MEDICAL CENTER	K	247,861	FMV
MEMORIAL MEDICAL CENTER	M	807,517	FMV
TAYLORVILLE MEMORIAL HOSPITAL	M	65,498	FMV
MEMORIAL MEDICAL CENTER	O	160,414	FMV
MEMORIAL PHYSICIAN SERVICES	O	2,337,143	FMV
ABRAHAM LINCOLN MEMORIAL HOSPITAL	O	478,883	FMV
TAYLORVILLE MEMORIAL HOSPITAL	O	283,898	FMV
PASSAVANT AREA HOSPITAL	O	536,739	FMV
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	O	680,230	FMV
MEMORIAL MEDICAL CENTER	P	67,359,301	FMV
MEMORIAL PHYSICIAN SERVICES	P	4,360,660	FMV
MEMORIAL MEDICAL CENTER	Q	59,886,421	FMV
MEMORIAL HOME SERVICES	Q	64,977	FMV
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	Q	63,696	FMV
MEMORIAL PHYSICIAN SERVICES	Q	8,315,914	FMV
ABRAHAM LINCOLN MEMORIAL HOSPITAL	Q	2,608,636	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations			
(a) Name of related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
TAYLORVILLE MEMORIAL HOSPITAL	Q	2,542,324	FMV
PASSAVANT AREA HOSPITAL	Q	648,903	FMV
MEMORIAL HOME SERVICES	Q	1,233,242	FMV
MEMORIAL MEDICAL CENTER	L	46,054,537	FMV
ABRAHAM LINCOLN MEMORIAL HOSPITAL	L	1,299,999	FMV
TAYLORVILLE MEMORIAL HOSPITAL	L	1,220,764	FMV
MEMORIAL PHYSICIAN SERVICES	L	5,403,854	FMV
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	L	688,109	FMV
MEMORIAL HOME SERVICES	L	624,740	FMV
PASSAVANT AREA HOSPITAL	L	2,000,928	FMV
MEMORIAL MEDICAL CENTER	N	1,777,019	FMV
MEMORIAL PHYSICIAN SERVICES	N	755,577	FMV
MEMORIAL MEDICAL CENTER	I	7,212,771	FMV
MEMORIAL PHYSICIAN SERVICES	I	764,057	FMV
ABRAHAM LINCOLN MEMORIAL HOSPITAL	I	292,238	FMV
TAYLORVILLE MEMORIAL HOSPITAL	I	332,761	FMV
PASSAVANT AREA HOSPITAL	I	641,674	FMV
MEMORIAL MEDICAL CENTER	R	6,892,491	FMV
MEMORIAL PHYSICIAN SERVICES	R	738,672	FMV
ABRAHAM LINCOLN MEMORIAL HOSPITAL	R	283,193	FMV
TAYLORVILLE MEMORIAL HOSPITAL	R	321,563	FMV
PASSAVANT AREA HOSPITAL	R	621,738	FMV