LOUISVILLE METRO COUNCIL
NEIGHBORHOOD DEVELOPMENT FUND APPLICATION CHECKLIST

Legal Name of Applicant Organization:

Program Name and Request Amount:

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	Yes
Is the funding proposed by Council Member(s) less than or equal to the request amount?	Less
Is the proposed public purpose of the program viable and well-documented?	Yes
Will all of the funding go to programs specific to Louisville/Jefferson County?	No *
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	Yes
Has prior Metro Funds committed/granted been disclosed?	Yes
Is the application properly signed and dated by authorized signatory?	Yes
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	Yes
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	N/A
Is the entity in good standing with: • Kentucky Secretary of State? • Louisville Metro Revenue Commission? • Louisville Metro Government? • Internal Revenue Service? • Louisville Metro Human Relations Commission?	Yes
Is the current Fiscal Year Budget included?	Yes
Is the entity's board member list (with term length/term limits) included?	Yes
Is recommended funding less than 33% of total agency operating budget?	Yes
Does the application budget reflect only the revenue and expenses of the project/program?	Yes
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	Yes
Is the most recent annual audit (if required by organization) included?	Yes
Is a copy of Signed Lease (if rent costs are requested) included?	N/A
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	N/A
Are the Articles of Incorporation of the Agency included?	Yes
Is the IRS Form W-9 included?	Yes
Is the IRS Form 990 included?	Yes
Are the evaluation forms (if program participants are given evaluation forms) included?	...
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	Yes
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	N/A
Prepared by: Jon Henson Date: 8/20/15	

* The van does travel around the State, at times, it's events are primarily held in Louisville/Jefferson CO.

NEIGHBORHOOD DEVELOPMENT FUND
Not-for-Profit Transmittal and Approval Form

Applicant/Program: Jewish Hospital & St. Mary's Foundation

Executive Summary of Request:
$50,000.00 request is to help with the final push of fundraising for a new cancer screening bus. The new cancer screening van will provide community screenings to detect cancer in the early stages when treatments can be most successful. The new van will also be used as a tool for public education to encourage healthy lifestyles that can prevent cancer; it will also help patients navigate access to cancer resources that are available in the

Is this program/project a fundraiser?	☐ Yes	☑ No
Is this applicant a faith based organization?	☐ Yes	☑ No
Does this application include funding for sub-grantee(s)?	☐ Yes	☑ No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

7		$5,000.00	8/19/2015
District #	Council Member Signature	Amount	Date

Primary Sponsor Disclosure
List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.
Nathan Hinsen, Erin Hinsen's husband, works for Medsynergies which has KentuckyOne as a client.

Approved by:

_____
Appropriations Committee Chairman Date

Clerk's Office Only:

Request Amount: _____ Committee Amended Appropriation: _____

Original Appropriation: _____ Council Amended Appropriation: _____

Applicant/Program:

Additional Disclosure and Signatures

Additional Council Office Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date
District #	Council Member Signature	Amount	Date

JEWISH HOSPITAL & ST. MARY'S FOUNDATION

General Information

Organization Number	0175124
Name	JEWISH HOSPITAL & ST. MARY'S FOUNDATION
Company Type	ASC - Assumed Name Corporation
Status	A - Active
State	KY
File Date	11/2/2011
Expiration Date	11/2/2016
Renewal Date	5/2/2016
Principal Office	200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202

Current Officers

Individuals / Entities listed at time of formation

Director	HENRY C WAGNER
Director	FRANK K LIPSCHUTZ
Director	SHELTON R WEBER
Incorporator	FRANK K LIPSCHUTZ

Images available online

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

Amended and Restated Articles	6/29/2015	4 pages	tiff	PDF
Annual Report	6/10/2015	1 page	PDF	
Name Renewal	3/4/2015 10:21:06 AM	1 page	PDF	
Certificate of Assumed Name	2/24/2015	1 page	tiff	PDF
Certificate of Assumed Name	11/25/2014	1 page	tiff	PDF
Certificate of Assumed Name	11/25/2014	1 page	tiff	PDF
Certificate of Assumed Name	11/25/2014	1 page	tiff	PDF
Certificate of Assumed Name	11/25/2014	1 page	tiff	PDF
Certificate of Assumed Name	11/3/2014	1 page	tiff	PDF
Certificate of Assumed Name	11/3/2014	1 page	tiff	PDF
Name Renewal	9/23/2014 10:14:51 AM	1 page	PDF	
Name Renewal	9/5/2014 2:27:34 PM	1 page	PDF	
Name Renewal	9/5/2014 2:26:28 PM	1 page	PDF	
Name Renewal	9/5/2014 2:25:31 PM	1 page	PDF	
Name Renewal	9/5/2014 2:24:15 PM	1 page	PDF	
Name Renewal	9/5/2014 2:23:04 PM	1 page	PDF	
Name Renewal	9/5/2014 2:21:55 PM	1 page	PDF	

Name Renewal	9/5/2014 2:20:35 PM	1 page	PDF	
Name Renewal	9/5/2014 2:19:34 PM	1 page	PDF	
Name Renewal	9/5/2014 2:18:18 PM	1 page	PDF	
Name Renewal	7/30/2014	1 page	tiff	PDF
Annual Report	6/9/2014	1 page	PDF	
Name Renewal	4/4/2014	1 page	tiff	PDF
Name Renewal	3/4/2014	1 page	tiff	PDF
Certificate of Assumed Name	8/20/2013	1 page	tiff	PDF
Certificate of Assumed Name	8/20/2013	1 page	tiff	PDF
Name Renewal	6/26/2013 4:51:14 PM	1 page	PDF	
Name Renewal	6/26/2013 4:49:53 PM	1 page	PDF	
Name Renewal	6/26/2013 4:47:48 PM	1 page	PDF	
Name Renewal	6/26/2013 4:46:48 PM	1 page	PDF	
Name Renewal	6/26/2013 4:44:37 PM	1 page	PDF	
Name Renewal	6/26/2013 4:43:23 PM	1 page	PDF	
Name Renewal	6/26/2013 4:42:09 PM	1 page	PDF	
Name Renewal	6/26/2013 4:40:34 PM	1 page	PDF	
Name Renewal	6/26/2013 4:38:57 PM	1 page	PDF	
Name Renewal	6/26/2013 4:37:35 PM	1 page	PDF	
Name Renewal	6/26/2013 4:36:26 PM	1 page	PDF	
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Name Renewal	6/26/2013 4:31:04 PM	1 page	PDF	
Name Renewal	5/28/2013	1 page	tiff	PDF
Annual Report	5/16/2013	1 page	PDF	
Name Renewal	11/29/2012 4:28:16 PM	1 page	PDF	
Name Renewal	11/29/2012 4:24:51 PM	1 page	PDF	
Name Renewal	11/29/2012 4:13:13 PM	1 page	PDF	
Certificate of Withdrawal of Assumed Name	10/30/2012	1 page	tiff	PDF
Annual Report	6/27/2012	1 page	PDF	
Certificate of Assumed Name	6/7/2012	1 page	tiff	PDF
Certificate of Assumed Name	6/7/2012	1 page	tiff	PDF
Registered Agent name/address change	4/30/2012 4:12:21 PM	1 page	PDF	
Name Renewal	1/31/2012	1 page	tiff	PDF
Amended and Restated Articles	1/11/2012	4 pages	tiff	PDF
Amendment	12/27/2011	3 pages	tiff	PDF
Certificate of Assumed Name	11/8/2011	1 page	tiff	PDF
Certificate of Assumed Name	11/2/2011	1 page	tiff	PDF
Certificate of Assumed Name	11/2/2011	1 page	tiff	PDF
Certificate of Assumed Name	11/2/2011	1 page	tiff	PDF
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Certificate of Assumed Name	11/2/2011	1 page	tiff	PDF
Certificate of Assumed Name	11/2/2011	1 page	tiff	PDF
Name Renewal	7/7/2011	1 page	tiff	PDF
Annual Report	6/28/2011	3 pages	tiff	PDF
App. for Certificate of Withdrawal	2/18/2011	1 page	tiff	PDF
Annual Report	8/18/2010	3 pages	tiff	PDF
Unhonored Check Letter	8/10/2010	1 page	tiff	PDF
Certificate of Assumed Name	3/8/2010	1 page	tiff	PDF
Certificate of Assumed Name	1/20/2010	1 page	tiff	PDF
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Certificate of Assumed Name	9/24/2009	1 page	tiff	PDF
Name Renewal	9/11/2009	1 page	tiff	PDF
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Name Renewal	9/11/2009	1 page	tiff	PDF
Name Renewal	9/11/2009	1 page	tiff	PDF
Certificate of Assumed Name	9/4/2009	1 page	tiff	PDF
Certificate of Assumed Name	7/31/2009	1 page	tiff	PDF
Registered Agent name/address change	7/28/2009	1 page	tiff	PDF
Annual Report	6/30/2009	1 page	PDF	
Name Renewal	2/27/2009	1 page	tiff	PDF
Registered Agent name/address change	2/18/2009	1 page	tiff	PDF
Certificate of Assumed Name	10/17/2008	1 page	tiff	PDF
Certificate of Assumed Name	9/15/2008	1 page	tiff	PDF
Certificate of Assumed Name	9/15/2008	1 page	tiff	PDF
Annual Report	7/2/2008	2 pages	PDF	
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Name Renewal	5/21/2008	1 page	tiff	PDF
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Name Renewal	5/21/2008	1 page	tiff	PDF
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Annual Report	6/27/2007	3 pages	tiff	PDF
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Certificate of Assumed Name	12/28/2006	1 page	tiff	PDF
Certificate of Assumed Name	10/17/2006	1 page	tiff	PDF
Name Renewal	9/27/2006	1 page	tiff	PDF
Certificate of Assumed Name	7/18/2006	1 page	tiff	PDF
Annual Report	6/16/2006	3 pages	tiff	PDF
Certificate of Assumed Name	5/23/2006	1 page	tiff	PDF
Certificate of Assumed Name	5/23/2006	1 page	tiff	PDF
Certificate of Assumed Name	5/23/2006	1 page	tiff	PDF
Certificate of Assumed Name	5/23/2006	1 page	tiff	PDF
Name Renewal	3/21/2006	1 page	tiff	PDF
Name Renewal	3/16/2006	1 page	tiff	PDF
Certificate of Assumed Name	12/21/2005	1 page	tiff	PDF
Certificate of Assumed Name	12/21/2005	1 page	tiff	PDF
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Certificate of Assumed Name	11/14/2005	1 page	tiff	PDF
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Certificate of Assumed Name	11/14/2005	1 page	tiff	PDF
Statement of Change	11/14/2005	1 page	tiff	PDF
Principal Office Address Change	11/14/2005	1 page	tiff	PDF
Certificate of Assumed Name	11/14/2005	1 page	tiff	PDF
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Certificate of Assumed Name	11/14/2005	1 page	tiff	PDF

Amended and Restated Articles	10/31/2005	6 pages	tiff	PDF
Articles of Merger	10/31/2005	2 pages	tiff	PDF
Statement of Change	10/31/2005	1 page	tiff	PDF
Certificate of Assumed Name	10/21/2005	1 page	tiff	PDF
Certificate of Assumed Name	10/21/2005	1 page	tiff	PDF
Amendment	10/6/2005	1 page	tiff	PDF
Certificate of Assumed Name	9/16/2005	1 page	tiff	PDF
Certificate of Assumed Name	9/16/2005	1 page	tiff	PDF
Certificate of Withdrawal of Assumed Name	9/16/2005	1 page	tiff	PDF
Statement of Change	8/30/2005	1 page	tiff	PDF
Name Renewal	6/7/2005	1 page	tiff	PDF
Name Renewal	5/23/2005	1 page	tiff	PDF
Annual Report	4/21/2005	5 pages	tiff	PDF
Certificate of Assumed Name	3/24/2005	1 page	tiff	PDF
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Certificate of Assumed Name	12/30/2004	1 page	tiff	PDF
Certificate of Assumed Name	12/21/2004	1 page	tiff	PDF
Certificate of Assumed Name	12/8/2004	1 page	tiff	PDF
Name Renewal	10/27/2004	1 page	tiff	PDF
Annual Report	5/17/2004	1 page	tiff	PDF
Name Renewal	3/5/2004	1 page	tiff	PDF
Name Renewal	3/5/2004	1 page	tiff	PDF
Name Renewal	3/5/2004	1 page	tiff	PDF
Certificate of Assumed Name	10/22/2003	2 pages	tiff	PDF
Name Renewal	7/11/2003	1 page	tiff	PDF
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Name Renewal	7/11/2003	2 pages	tiff	PDF
Name Renewal	7/11/2003	1 page	tiff	PDF

Annual Report	6/11/2003	4 pages	tiff	PDF
Statement of Change	4/1/2003	1 page	tiff	PDF
Certificate of Assumed Name	12/18/2002	2 pages	tiff	PDF
Annual Report	5/8/2002	5 pages	tiff	PDF
Certificate of Assumed Name	3/1/2002	1 page	tiff	PDF
Certificate of Assumed Name	7/25/2001	1 page	tiff	PDF
Certificate of Assumed Name	7/25/2001	1 page	tiff	PDF
Annual Report	6/4/2001	5 pages	tiff	PDF
Certificate of Assumed Name	5/16/2001	2 pages	tiff	PDF
Certificate of Assumed Name	5/16/2001	1 page	tiff	PDF
Certificate of Assumed Name	10/12/2000	1 page	tiff	PDF
Certificate of Assumed Name	10/12/2000	2 pages	tiff	PDF
Certificate of Assumed Name	9/18/2000	2 pages	tiff	PDF
Certificate of Assumed Name	9/18/2000	1 page	tiff	PDF
Certificate of Assumed Name	7/31/2000	1 page	tiff	PDF
Certificate of Assumed Name	7/31/2000	2 pages	tiff	PDF
Annual Report	6/13/2000	5 pages	tiff	PDF
Certificate of Assumed Name	3/1/2000	1 page	tiff	PDF
Certificate of Assumed Name	3/1/2000	1 page	tiff	PDF
Certificate of Assumed Name	3/1/2000	1 page	tiff	PDF
Certificate of Assumed Name	3/1/2000	1 page	tiff	PDF
Articles of Merger	8/10/1999	5 pages	tiff	PDF
Certificate of Assumed Name	8/10/1999	1 page	tiff	PDF
Articles of Merger	8/10/1999	5 pages	tiff	PDF
Certificate of Assumed Name	8/10/1999	2 pages	tiff	PDF
Annual Report	6/18/1999	5 pages	tiff	PDF
Annual Report	7/23/1998	4 pages	tiff	PDF
Certificate of Assumed Name	4/10/1998	2 pages	tiff	PDF
Certificate of Assumed Name	4/10/1998	1 page	tiff	PDF
Amendment	2/23/1998	1 page	tiff	PDF
Amendment	2/23/1998	2 pages	tiff	PDF
Certificate of Assumed Name	11/4/1997	1 page	tiff	PDF
Certificate of Assumed Name	11/4/1997	2 pages	tiff	PDF
Annual Report	7/1/1997	5 pages	tiff	PDF
Articles of Merger	9/29/1996	5 pages	tiff	PDF
Certificate of Assumed Name	9/3/1996	2 pages	tiff	PDF
Certificate of Assumed Name	9/3/1996	1 page	tiff	PDF
Articles of Merger	8/23/1996	5 pages	tiff	PDF
Annual Report	7/1/1996	5 pages	tiff	PDF
Certificate of Assumed Name	3/22/1996	2 pages	tiff	PDF
Certificate of Assumed Name	3/22/1996	1 page	tiff	PDF
Certificate of Assumed Name	8/2/1995	1 page	tiff	PDF
Certificate of Assumed Name	8/2/1995	2 pages	tiff	PDF
Annual Report	7/1/1995	2 pages	tiff	PDF
Annual Report	7/1/1995	4 pages	tiff	PDF
Statement of Change	6/30/1995	1 page	tiff	PDF
Certificate of Assumed Name	4/5/1995	1 page	tiff	PDF

Certificate of Assumed Name	4/5/1995	1 page	tiff	PDF
Certificate of Assumed Name	9/29/1994	1 page	tiff	PDF
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Certificate of Assumed Name	9/29/1994	1 page	tiff	PDF
Articles of Merger	9/28/1994	4 pages	tiff	PDF
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Amended and Restated Articles	4/20/1994	3 pages	tiff	PDF
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Amendment	5/13/1993	3 pages	tiff	PDF
Annual Report	3/23/1993	1 page	tiff	PDF
Annual Report	7/1/1992	2 pages	tiff	PDF
Annual Report	7/1/1992	1 page	tiff	PDF
Amendment	11/19/1991	4 pages	tiff	PDF
Certificate of Assumed Name	11/15/1991	1 page	tiff	PDF
Amendment	7/22/1991	2 pages	tiff	PDF
Annual Report	7/1/1991	1 page	tiff	PDF
Annual Report	7/1/1991	1 page	tiff	PDF
Annual Report	7/1/1991	2 pages	tiff	PDF
Annual Report	7/1/1991	1 page	tiff	PDF
Annual Report	7/1/1991	1 page	tiff	PDF
Statement of Change	10/30/1990	1 page	tiff	PDF
Annual Report	7/1/1990	1 page	tiff	PDF

Annual Report	7/1/1990	2 pages	tiff	PDF
Annual Report	7/1/1990	3 pages	tiff	PDF
Annual Report	7/1/1990	2 pages	tiff	PDF
Annual Report	7/1/1990	2 pages	tiff	PDF
Annual Report	7/1/1990	2 pages	tiff	PDF
Annual Report	7/1/1989	2 pages	tiff	PDF
Annual Report	7/1/1989	2 pages	tiff	PDF
Certificate of Assumed Name	4/6/1988	1 page	tiff	PDF
Amendment	11/30/1987	3 pages	tiff	PDF
Articles of Incorporation	6/16/1983	10 pages	tiff	PDF
Articles of Consolidation	2/23/1972	3 pages	tiff	PDF

Assumed Name of

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC.	Active
JEWISH HOSPITAL HEALTHCARE SERVICES, INC.	Inactive

Activity History

Filing	File Date	Effective Date	Org. Referenced
Add	11/2/2011 2:53:47 PM	11/2/2011	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC.

Microfilmed Images

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION

Legal Name of Applicant Organization: Jewish Hospital & St. Mary's Foundation
(as listed on: http://www.sos.ky.gov/business/records)

Main Office Street & Mailing Address: 250 East Liberty St, Suite 612, Louisville, KY 40202

Website: www.kentuckyonehealth.org/jhsmhfoundation

Applicant Contact:	Sherri Craig	**Title:**	Vice President
Phone:	502.587.4860	**Email:**	sherricraig@kentuckyonehealth.org
Financial Contact:	Fred Ray	**Title:**	Accountant
Phone:	502-560-8466	**Email:**	fredray@kentuckyonehealth.org

Organization's Representative who attended NDF Training:

GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED

Program Facility Location(s):	Jefferson County		
Council District(s):	All	**Zip Code(s):**	40004 40056 40108 40118 40165 40201 40202 40203 40204 40205 40206 402

SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION

PROGRAM/PROJECT NAME: Cancer Screening Van

Total Request: ($)	50,000	**Total Metro Award (this program) in previous year: ($)**	0

Purpose of Request (check all that apply):

- ☐ Operating Funds (generally cannot exceed 33% of agency's total operating budget)
- ☐ Programming/services/events for direct benefit to community or qualified individuals
- ■ Capital Project of the organization (equipment, furnishing, building, etc)

The Following are Required Attachments:

- ☑ IRS Exempt Status Determination Letter
- ☑ Current Year Projected Budget
- ☑ List of Board of Directors (include term & term limits
- ☑ Current financial statement
- ☑ Most recent IRS Form 990 or 1120-H
- ☑ Articles of Incorporation
- ☑ Cost estimates from proposed vendor if request is for capital expense
- ☐ Signed lease if rent costs are being requested
- ☑ IRS Form W9
- ☐ Evaluation forms if used in the proposed program
- ☑ Annual audit (if required by organization)
- ☐ Faith Based Organization Certification Form, if required
- ☑ Staff including the 3 highest paid staff

For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.

Source:	Amount: ($)
Source:	Amount: ($)
Source:	Amount: ($)

Has the applicant contacted the BBB Charity Review for participation? ☐ Yes ■ No

Has the applicant met the BBB Charity Review Standards? ■ Yes ☐ No

Applicant's Initials SC

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The Commonwealth of Kentucky is blessed with many assets that make it an incredible place to live and raise a family. Unfortunately, good health is not one of them. The state ranks among the 10 worst for such leading health indicators as cancer, obesity and death due to heart disease and stroke. Exacerbating these health challenges, more than half the state is designated as medically under-served with a growing scarcity of physicians, particularly in rural areas. Kentucky will have a shortage of 3,000 doctors in less than 10 years, according to an estimate by the U.S. Department of Health and Human Services.

To meet these daunting challenges, KentuckyOne Health was created in January 2012 through the merger of Jewish Hospital & St. Mary's HealthCare and Saint Joseph Health System, followed by a partnership with University of Louisville Hospital and James Graham Brown Cancer Center in early 2013. We have come together to leverage our considerable expertise and resources to achieve a bold goal: improving the health of every Kentuckian.

KentuckyOne Health is one of the largest health systems in Kentucky with nearly 200 locations including hospitals, outpatient facilities and physician offices, and more than 2,325 licensed beds. Our volunteer board of directors governs KentuckyOne Health with this purpose: To bring wellness, healing and hope to all, including the under-served.

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LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 – PROGRAM/PROJECT NARRATIVE

A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):

Kentucky has the highest incidence and death rates in the nation for several cancers, most notably lung cancer. We are first in the nation for cancer deaths and we have the second highest incidence rate for all cancer sites. Jewish Hospital & St. Mary's Foundation is partnering with First Lady Jane Beshear and the Horses & Hope program to raise $1 million to purchase a new mobile cancer screening van for the James Graham Brown Cancer Center..

For more than 20 years, the James Graham Brown Cancer Center's mobile mammography unit has been removing access barriers by reaching women in their community, church, school, or place of business, providing screening mammography and saving lives. Each year more than 4,000 women are screened for breast cancer. The current unit is almost 10 years old and is showing signs of significant wear and tear

The new van will be equipped to provide screening and education for not only breast cancer, but cervical, colon, lung, prostate, skin & head/neck cancers as well. Many cancers can be prevented through lifestyle changes, such as avoiding tobacco, increasing physical activity and eating healthier. Still others, including breast and colon cancer, can be found early through screening - greatly improving treatment success. Science-based approaches delivered through the van can improve the health of Kentuckians and play a major role in bringing about positive change.

The new Cancer Screening Van will provide:
* community screenings to detect cancer in early stages when treatment can be most successful
* public education to encourage healthy lifestyles that will prevent cancer
* patient navigation to access cancer resources in local communities
* cancer outreach programs for under-served populations.

B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):

The funding will be used for the purchase of a fully equipped mobile cancer screening van

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LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

N/A

D: For Expenditure Reimbursement Only – The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

☐ Effective October 24, 2013, reimbursements should not be made unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):

- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
- ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

☐ The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:

- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

Applicant's Initials SC

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1 Proposed Metro Funds	Column 2 Non-Metro Funds	Column (1+2)=3 Total Funds
A: Personnel Costs Including Benefits		$195,328	$195,328
B: Rent/Utilities			
C: Office Supplies			
D: Telephone			
E: In-town Travel			
F: Client Assistance (Attach Detailed List)			
G: Professional Service Contracts			
H: Program Materials			
I: Community Events & Festivals (Attach Detail List)			
J: Machinery & Equipment			
K: Capital Project	$50,000	$756,300	$806,300
L: Other Expenses (Attach Detail List)			
*TOTAL PROGRAM/PROJECT FUNDS	$50,000	$951,628	$1,001,628
	5 %	95 %	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	
United Way	
Private Contributions (do not include individual donor names)	$951,628.00
Fees Collected from Program Participants	
Other (please specify)	

**Total of Column 1 MUST match "Total Request on Page 1, Section 2"*

***Must equal or exceed total in column 2.*

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LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:

The new Cancer Screening Van will be dedicated to cancer prevention and early detection services for Kentucky. It will have the capacity to provide education and screenings for cancers which can be prevented or diagnosed early including breast, cervical, colon, lung, prostate, skin and head/neck. This new initiative will encourage healthy lifestyle behaviors and offer screenings to improve treatment outcomes through early detection.

Our first goal is to provide breast, cervical, colon, lung, skin and head/neck cancer screenings and to provide these screenings to underserved women and men in economically challenged zip codes and in rural areas. Our second goal is to remove financial barriers: to remove cost as a financial barrier to women and men receiving cancer screening and diagnostic services, thus increasing screenings.

In the first year of service, we expect to perform 8,000 screenings and provide education/referral services to 25,000 people. This will include routine mobile mammography services, screenings provided at the Kentucky State Fair and several tours across Kentucky for specific screenings like skin, prostate and head/neck.

Through this outreach approach, we anticipate our outcomes to reflect increased access to care, increased numbers of people screened annually and referred for diagnostic services, and reduced cancer-related mortalities for the state of Kentucky.

The new mammogram equipment on the van will enable us to provide tomosynthesis (3D) mammography which provides more accurate screenings, resulting in fewer call backs and res-screenings. This will be the only mobile unit in the area which provides 3D mammography. This unit will also significantly expand the number of people we are able to serve as it will screen for six different cancers, in addition to mammograms.

F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.

The James Graham Brown Cancer Center recognizes that this population faces many barriers in accessing health care and strives to removes those barriers by offering affordable and convenient screening and diagnostic services at locations more convenient to patients through our partnerships with groups throughout
the community.

The James Graham Brown Cancer Center is comprised of eight separate multidisciplinary units. The Breast Care Center is one such unit and has partnerships in place to recruit and provide services to women of Jefferson , Bullitt, Shelby, and Hardin counties in Kentucky. The Breast Care Center has been an active participant in the Partnership in Cancer Control since its inception. This group of health care organizations is dedicated to providing cancer services to
the residents of Jefferson County. They work to identify the under-served areas of the community and then provide mobile mammography screening services at churches, community events, and health centers in those areas. In 2013, special population initiatives included targeted screenings for African -Americans, Hispanics, Asians, Russians, Refugees, and the Homeless.

Even the campaign to raise funds for this cancer screening van is a join effort between Kentucky's First Lady, Jane Beshear, Horses and Hope and Jewish Hospital & St. Mary's Foundation, a part of KentuckyOne Health.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
N/A		
Total Value of In-Kind (*to match Program Budget Line Item.* Volunteer Contribution &Other In Kind)		

*** DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK**

Agency Fiscal Year Start Date: July 1

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO ☒ YES ☐

If YES, please explain:

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LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end.
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked.

Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal-Activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

SECTION 7 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

Signature of Legal Signatory: Sherri Craig **Date:** August 11, 2015

Legal Signatory: (please print): Sherri Craig **Title:** Vice President

Phone: 502.587.4060 **Extension:** **Email:** sherricraig@kentuckyonehealth.org

Applicant's Initials SC

HOLOGIC™
The Women's Health Company

Quotation

PLEASE REFER TO THIS NUMBER ON ALL CORRESPONDENCES AND ORDERS
Quote #: 165353.1
Buying Group: HEALTHTRUST - 18 Month Warranty
500262 (Bone/C-Arm), 500175 (Mammo)
Status: Ready for Customer

TO:

CUSTOMER NAME	CUSTOMER NUMBER
UNIVERSITY OF LOUISVILLE HOSPITAL	104074
BILL TO ADDRESS	**SHIP TO ADDRESS**
530 S JACKSON ST LOUISVILLE KY US 40202	529 S JACKSON ST BREAST CENTER LOUISVILLE KY US 40202

TAX INFO:

Hologic is required by law to collect all state and local taxes on all sales. If an exemption certificate is not provided by customer at time of order, final invoices will include these amounts. Many states require both specific operator qualifications and/or licensing and registration of x-ray devices. Hologic is not responsible for fulfilling customer's regulatory obligations.

We are pleased to offer you the products listed on the condition that this Quotation and the attached terms comprise the complete and exclusive statement of the contract between us. This Quotation is based on the information known by Hologic regarding your needs as of the date the Quotation is generated. This Quotation and the attached terms supersede all other quotations, agreements, understandings, warranties and representations, whether written or oral, between us, and may be accepted only in accord with their terms. This offer will remain open for 45 days after the quotation date unless otherwise specified, and is subject to change or withdrawal by Hologic prior to acceptance. To accept, please sign below within the time period for acceptance. Signed quote and/or purchase order should be forwarded by mail, via e-mail or by fax to:

Breast Health:
HOLOGIC, INC.
36 Apple Ridge Road
Danbury, CT 06810
ATTN: Sales Administration
Fax: (203) 731-8463
capitalorders@hologic.com

ATTN: **Phone:** **Fax:** **Email:**

Quote Date	Hologic Representative	FOB	Payment Terms	Est. Del. Date
04/28/2015	Nicholas Crist nicholas.crist@hologic.com	DESTINATION, NO CHARGE	0-80-20	30-45 Days ARO

Qty	Product Number	Product Description	List Price (USD/Unit)	Unit Price (USD/Unit)	Extended Price (USD)
1	SDM-00001-M2D	SELENIA DIMENSIONS MAMMOGRAPHY SYSTEM, MOBILE, 2D SELENIA DIMENSIONS 2D MOBILE Hologic 2D Mammography system with mobile version of the AWS 8000 Operator Console for screening and diagnostic imaging using 2D mammography. System is upgradable to Hologic 3D Mammography in the future. Includes: • X-Ray Gantry: • Constant Potential, High Frequency, Inverter Type Generator • kV Range – 20 kV to 49 kV in 1 kV increments • mAs Range – 3.0 mAs to 500 mAs • mA Range – 10 mA to 200 mA, Lg Focal Spot; 10 mA to 50 mA, Sm Focal Spot • X-Ray Tube: • Tungsten, Bi-Angular, High Speed, High Heat Capacity • Focal Spot Size – 0.3 mm (Lg); 0.1 mm (Sm) • X-Ray Filters: •0.050 mm Rhodium (Rh); 0.050 mm Silver (Ag); 0.70 mm Aluminum (Al) • Anti-Scatter Grid: • HTC Grid w/Auto-Retraction for Geometric Magnification and Tomosynthesis Views • Ambient Operating Temperature – 20°C to 30°C • Advanced Acquisition Workstation (AWS 8000): • Advanced ergonomic design; pull-out keyboard drawer • CPU – Multi-Core Intel Based CPU • Memory – 16 GB RAM • Hard Drive – 1TB min (approx. 9,000 Screening Mammography Studies) • Storage Media – DVD +/- R/W • Operating System –Microsoft Windows 7 / 64 bit	510,000.00	321,300.00	321,300.00

		Operator Monitors • User Interface Display – 1.2 MP Color LCD Touch-Screen Display • Image Display – 3 MP Monochrome Medical Grade LCD Display • Monitor swing-arm • Biometric Fingerprint Reader for quick login • Selenia Dimensions Software, including: • User Access Control • Patient and Study Selection • Imaging Procedure Selection and Definition • X-Ray Parameter Control • Image Review and Acceptance/Rejection • Quality Control • Connectivity: • DICOM: Modality Worklist; Storage; Storage Commitment; Query/Retrieve; Print • IHE Profiles: Scheduled Workflow, Patient Information Reconciliation, Mammography Image • Selenia Dimensions Software Licenses, including: • Selenia Dimensions System License • Diagnostic Imaging License • Dynamic Tube Head Motion License • Advanced Connectivity License Pack • Notices License • Keyboard SecurView Recommendations (if used for image review): • SecurView DX (v7.3.1 or higher), sold separately, for radiologist diagnostic reading: • SecurView Standalone or SecurView Client Computer: Dell Precision T7500 • SecurView DX Manager Computer: SecurView Dell PowerEdge T610 • SecurView DX Standalone or Client Displays: Barco Nio, Coronis or High Brightness LCD Displays (CRTs are not supported) • SecurView RT (v7.3.1 or higher), sold separately, for technologist quality review, print coordination, etc. • SecurView Standalone or SecurView Client Computer: Dell Precision T7500 • SecurView RT Manager Computer: SecurView Dell PowerEdge T610 • Please consult your Hologic Technical Sales Specialist for more details on the above (US only) Training Requirements (US Only): • If your site has not yet been received FFDM accreditation, you must apply to the ACR or State for FFDM certification. Warranty: • Standard One-Year Parts and Labor Warranty; Two-Year Prorated Manufacturer's Warranty on X-Ray Tube			
1	**ASY-03384**	ACCESSORY KIT, 2D, SELENIA DIMENSIONS MOBILE Hologic 2D Mammography accessory kit for Selenia Dimensions 2D AWS 8000 mobile imaging systems. Includes: • Standard Compression Paddles: • 24 cm x 29 cm Screening Paddle • 18 cm x 24 cm Screening Paddle • Small Breast Paddle • Standard Diagnostic Paddles: • 10cm Spot Contact Paddle, Frameless • 10 cm Contact Paddle • 7.5 cm Spot Contact Paddle • 10 cm Contact Paddle, Magnification • 7.5 cm Spot Contact Paddle, Magnification • X-Ray Shield Filler Panels and Mounting Kit • Other Accessories: • Face Shields: Fixed, for 2D Mammography • Magnification Platform	Included	Included	Included

Quote #: 165353.1
Internal ID: 1-3FEYS4

		Flat-field Block Phantom and Case • Dual-Function Gantry Footswitches (2) • Dimensions Interconnect Cable Kit • Documentation package: • User Manual • Service and Maintenance Manual • Quality Control Manual			
1	PRD-01702	DIMENSIONS DETECTOR Hologic 3D Mammography Digital Image Receptor for Selenia Dimensions 2D/3D imaging systems. Includes: • Digital Image Receptor • Amorphous Selenium, TFT • Structure – Single 24 cm x 29 cm Plate • Image Matrix Sizes – 2560 x 3328 (18 cm x 24 cm); 3328 x 4096 (24 cm x 29 cm) • Pixel Size – 0.070 mm • Limiting Spatial Resolution – 7.1 lp/mm	Included	Included	Included
1	SW-03147	LICENSE KEY, DIMENSIONS 1.7 SYSTEM LICENSE The Dimensions 1.7 System License enables the Dimensions or Avia system to run version 1.7 software. This license is required for proper operation of the system. NOTE: This license does not entitle the system to newer versions of 1.7 software; any such entitlement comes from the Dimensions or Avia system warranty or under the terms of the Hologic Service Contract covering the system.	Included	Included	Included
1	SW-03059	LICENSE KEY, DIAGNOSTIC PROCEDURES The Diagnostic Imaging Software License enables the Dimensions or Avia system to acquire images with paddles other than the 18x24, 24x29 and small breast paddles. It also enables the use of the magnifications stand and all interventional paddles.	Included	Included	Included
1	SW-03228	LICENSE KEY, DYNAMIC TUBEHEAD MOTION The Dynamic Tube Head Motion Software License enables the dynamic motion of the X-ray Tube Head for use on Dimensions systems. It allows the system to acquire X-ray exposures with the tube head at angles other than zero degrees relative to the breast tray. NOTE: This part number should not be ordered for Avia systems. In the case of Avia, the Dynamic Tube Head Motion Software Licenses is separately authorized for use in biopsy and tomosynthesis imaging procedures.	Included	Included	Included
1	ASY-04567	MANUAL PKG, SEL DIMENSIONS 2D/3D (USA) Documentation package for Selenia Dimensions 3D imaging systems. Includes: • User Manual • Service and Maintenance Manual • Quality Control Manual	Included	Included	Included
1	DMET	DIGITAL MAMMOGRAPHY FOR TECHS COURSE The Digital Mammography Essentials for Technologists course presents the essential principles, imaging strategies, and advanced topics of digital mammography and can serve as a valuable companion to hands-on training in this modality. It is intended for medical imaging professionals who plan to practice digital mammography, and it also can be used by technologists and physicians to fulfill the MQSA requirement of 8 hours training in a new mammographic modality. The course consists of four comprehensive study modules in a convenient storage case. Each module is a 40-50 page curriculum in easy-to-follow text, with an abundance of illustrations, clinical images and summaries, written in the language of the radiological technologist. Topics: • Getting to Know Digital Mammography • Hardware and System Operation • Image Formation and Quality • Advanced Topics in Digital Mammography	Included	Included	Included
1	SDM-TRAIN-INIT-01	DIMENSIONS 2D TRAINING, INITIAL, 3 DAYS, 1 SITE, MAX 5 TECHS * Three (3) Consecutive days of Applications Training for up to 5 Technologists per site. * Applications must be completed within 12 months of equipment shipment * Please note: Cancellation must be made 48 hours prior to the end of the business week before your scheduled applications to avoid cancellation fees * Initial Applications Added Value: $5,100.00	Included	Included	Included

1	SVC-INSTALL	SERVICE FLAG, INSTALLATION	Included	Included	Included
1	R2UP-2002	CENOVA DIGITAL PORT LICENSE TRANSFER Provides license transfer from one configuration to another. Allows an existing ImageChecker CAD port or Quantra port to be migrated from one digital manufacturer FFDM model to another manufacturer's FFDM model. Also allows an existing ImageChecker CAD port, DigitalNow HD or Quantra port to be migrated from one Cenova server to another, preserving the investment in R2 Image Analytics software products. Includes: * Support for transferring one ImageChecker CAD port or Quantra port: * Between manufacturers (e.g. GE to Hologic) * Between models (e.g. Hologic Selenia to Hologic Selenia Dimensions) * From one Cenova server to another NOTE: Cenova serial number must be provided.	10,000.00	7,000.00	7,000.00
1	SVC-R2-INSTALL-01	USE EXISTING CENOVA 2D C-SERIES SERVER	Included	Included	Included
1	R2-TRAIN-INIT-01	CAD TRAINING, INITIAL, 1 DAY, 1 SITE, MAX 10 RADS * One (1) day of Applications Training. Training for up to 10 Rads * Applications must be completed within 12 months of equipment shipment. This training cannot be performed until FFDM certification extension is received for Tomosynthesis. * Please note: Cancellations must be made 48 hours prior to the end of the business week before your scheduled applications to avoid cancellation fees. * Initial Applications Added Value: $2,500.00	Included	Included	Included
				List Price Total:	520,000.00
				Discount:	-191,700.00
				Final Quote Price:	328,300.00

Warranty Information:
18 Mo Parts/Labor Wty applies to Discovery, Horizon, Sahara, InSight2, Trident, Selenia, and Selenia Dimensions Systems; and Selenia Dimensions Tomo Options offered on this quote. Standard 12 Mo Parts/Labor Wty applies to all other options.

Notes:

Hologic may request new customers and established customers to complete our credit application to create or update current credit files. This requirement will be contingent on order amount and prior history with Hologic.

The parties acknowledge that they intend for purchases under this Quote to be reported to the identified group purchasing organization ("identified GPO") for payment of administrative fees in accordance with the applicable group purchasing organization contract between the identified GPO and Hologic. This Quote is not entered into, pursuant to, or in connection with any other group purchasing or IDN/System, arrangement of which Customer or Hologic is a party, and is not intended to result in the reporting of sales or the payment of administrative fees to any such organization other than the identified GPO.

The Customer agrees to treat all quoted and sales information as confidential and not to disclose it to any third party other than the identified GPO or as required by law.

In no event will Hologic be obligated to pay administrative fees to a group purchasing organization ("GPO"), integrated delivery network, or other entity other than the identified GPO with respect to any single purchase order by Customer, and whose Equipment and purchase options are not included in the separate GPO agreement between the identified GPO and Hologic.

Customer acknowledges that the pricing guaranteed under this Quote is strictly provided to Customer only because the pricing is based on the Customer's commitment related to quantity and commitment to Hologic products, and in no event shall Hologic be required to offer such pricing to any other customer who is in anyway affiliated with or is a member of the identified GPO.

If purchasing under a buying group with existing terms and conditions, those conditions would supersede Hologic's standard terms and conditions. If a buying group does not have their own terms and conditions, Hologic's would apply.

Buyer Acceptance:

UNIVERSITY OF LOUISVILLE HOSPITAL

By:_____(signature)

Name and Title:_____(print/type)

Date:_____

Quote #: 165353.1
Internal ID: 1-3FEYS4

Additional Buyer Acceptance (if applicable):

By:_____(signature)

Name and Title:_____(print/type)

Date:_____

Please provide the Shipping and Billing address here if different from the quote address above (If this section is left blank, the product will ship and bill to the addresses printed at the top)

Shipping Address: _____

_____

_____

Billing Address: _____

_____

_____

Hologic Approval: Michael Barton

Date: April 29, 2015

HOLOGIC, INC. 35 CROSBY DRIVE BEDFORD, MA 01730 TEL: 781-999-7300

Quote #: 165353.1
Internal ID: 1-3FEYS4

Hologic Master Sales Terms and Conditions

These Hologic Master Sales Terms and Conditions ("Terms") apply to the sale or use of Hologic equipment ("Equipment") and supplies ("Supplies") (Equipment, Supplies, and any included Software, as defined in Section 14, collectively referred to as "Product" or "Products") between Hologic, Inc. (together with its subsidiaries and affiliates, "Hologic"), and Customer. Hologic and Customer may hereinafter be referred to individually as a "Party" and collectively as the "Parties." The Parties, intending to be legally bound, agree as follows:

1. Agreement. These Terms, together with any applicable Hologic quotes, attachments or other purchasing program documents executed by the Parties constitute the complete and entire agreement between the Parties (collectively referred to herein as the "Agreement") with respect to the Products. The Agreement shall supersede all other quotations, agreements, understandings, warranties and representations (whether written or oral) between the Parties with respect to the subject matter set forth in the Agreement. Any Customer documentation (including Customer's purchase order terms and conditions) that conflicts with or attempts to modify the Agreement in any way is hereby rejected and of no effect unless specifically agreed to in writing and signed by the Parties. Customer acknowledges that there are no warranties or representations, which have been made by Hologic or any of its agents other than those expressly contained in the Agreement. If any action in law or equity is necessary to enforce or interpret the terms of the Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which the Party may be entitled. No provision of the Agreement shall be waived, amended, modified, superseded, canceled, terminated, renewed, or extended except in a written document signed by both Parties or signed by the Party against whom the modification is sought to be enforced. Headings and captions in the Agreement are for convenience only, do not form a part of the Agreement, and shall in no way affect its interpretation.

2. Prices. Prices, fees and charges for Products and services (including maintenance, installation, and training as described in Hologic's then-published service description) ("Service" or "Services") are payable in United States (U.S.) Dollars only, and do not include any applicable taxes or shipping charges. If Customer claims any tax exemption, it must furnish a valid tax exemption certificate to Hologic before shipment of Products. Unless price protection is explicitly agreed to by Hologic in writing, Hologic reserves the right to increase prices on thirty (30) days written notice to Customer.

3. Payment. Unless otherwise agreed to in writing by Hologic, Customer shall pay invoices net thirty (30) days from the invoice date. Hologic may charge monthly interest at the maximum rate permitted by law on all amounts not paid by the invoice due date until all such amounts are paid in full. Hologic retains a purchase money security interest in all Equipment sold to Customer to secure payment of the total purchase price thereof; Customer hereby grants Hologic the right to file a copy of the Agreement, with any appropriate authorities, to evidence this security interest; and Customer agrees to execute and deliver such other documents as Hologic may request in connection therewith. Hologic shall not be obligated to deliver any Product or perform any Service during any period when Customer payment is past due. Customer will be responsible for all costs (including reasonable attorneys' fees) incurred by Hologic to collect overdue payments and/or to take possession or otherwise dispose of Products for which payment is overdue.

4. Product Shipment and Risk of Loss. Unless otherwise agreed to in writing by Hologic, all Products will be shipped F.O.B. Origin, regardless of any provisions for payments of freight, insurance, the form of shipping documents, or selection of carrier by Hologic. F.O.B. Origin means title and risk of loss to the Products passes to the Customer at the shipping dock of Hologic or Hologic's supplier or authorized agent. Customer is responsible for shipping charges. Hologic is responsible for the cost of insurance paid to cover any losses from Hologic's shipment point to Customer's receipt. Hologic will assist Customer in processing any loss claims and Customer will be paid directly by Hologic's insurer.

5. Delivery. Hologic shall use good faith efforts to ship Products on the dates and in the quantities listed in Customer's purchase orders but all delivery dates are estimates and not binding on Hologic. Hologic may make shipments of Product(s) as available and each shipment shall be separately invoiced. All Products shall be adequately packed for shipment in Hologic-standard containers, marked for shipment to the address listed in the Agreement. Additional charges may be invoiced for special packaging requested by Customer or that Hologic determines to be necessary to maintain the integrity of the Product. Orders received from Customer shall not be binding on Hologic until they are accepted by Hologic.

6. Installation and Acceptance. Product orders are subject to written acceptance by Hologic, receipt of specified deposits, as applicable, and continuing credit approval. Orders may be canceled by written notice to Hologic prior to shipment. If applicable, Hologic will install all Equipment that requires installation, at no charge, at the agreed upon location. Unless otherwise specifically agreed, installation shall be complete and acceptance shall occur upon Hologic's demonstration that the Equipment meets Hologic's then-current specifications ("Installation"). Installation is subject to Customer cooperating in preparing and maintaining the site in compliance with Hologic specifications, including but not limited to, applicable regulations including all electrical and other connections and all environmental conditions. If Customer fails to accept shipment of Products ordered by Customer or contemplated by the Agreement, Customer shall be responsible for Hologic's reasonable insurance, handling and storage charges. If Hologic decides not to store Customer ordered Products refused by Customer, it is hereby authorized to arrange shipment and storage in a bonded warehouse at Customer's sole risk and expense.

7. Delay of Performance. The Parties' obligations under the Agreement are subject to force majeure, including but not limited to, civil insurrection, terrorism, fire, flood, labor disputes, shortages, delays of suppliers or contractors, or government priority systems, actions taken or threatened by any governmental agencies, acts of God or other contingencies or acts not within the sole control of Hologic. Hologic reserves the right during any shortage period to (a) make Products available to Customer (as it sees fit) without any Hologic liability to Customer, and (b) to make substitutions and modifications in the specification of any Products, provided such substitutions or modifications do not materially affect the performance of Products.

8. WARRANTIES. Except as otherwise expressly stated in the Agreement: i) Equipment manufactured by Hologic is warranted to the original Customer to perform substantially in accordance with published product specifications for one (1) year starting from the date of shipment, or if Installation is required, from the date of Installation ("Warranty Period"); ii) digital imaging mammography x-ray tubes are warranted for twenty-four (24) months, during which the x-ray tubes are fully warranted for the first twelve (12) months and are warranted on a straight-line prorated basis during months 13-24; iii) replacement parts and remanufactured items are warranted for the remainder of the Warranty Period or ninety (90) days from shipment, whichever is longer; iv) consumable Supplies are warranted to conform to published specifications for a period ending on the expiration date shown on their respective packages; v) licensed Software is warranted to operate in accordance with published specifications; vi) Services are warranted to be supplied in a workman-like manner; vii) non-Hologic Manufactured Equipment is warranted through its manufacturer and such manufacturer's warranties shall extend to Hologic's customers, to the extent permitted by the manufacturer of such non-Hologic Manufactured Equipment. Hologic does not warrant that use of Products will be uninterrupted or error-free, or that Products will operate with non-Hologic authorized third-party products.

9. Warranty Claims and Remedies. In the event of any warranty claim, Hologic will replace with new or remanufactured items any Equipment, part, component, or consumable supply that is in breach of warranty, and will use reasonable efforts to promptly fix or provide a workaround for any Software defect or bug which prevents operation in substantial conformity with functional specifications. Alternatively, Hologic may elect to repay or credit to Customer an amount equal to the purchase price of the defective Equipment, component, Software, consumable supply, or Service. Items replaced shall become Hologic property. All claims shall be initiated by contacting Hologic within the applicable Warranty Period and thirty (30) days after discovery of the breach or non-conformity. Hologic must be given reasonable access and an opportunity to inspect all associated materials. If Hologic and Customer are unable to settle any claim and Customer has not notified Hologic within one (1) year after the claim arises, Customer shall be barred from instituting any legal action thereafter. These remedies shall comprise Hologic's entire liability and Customer's exclusive remedy for breach of warranty and are in lieu of any other

remedies at law or equity. HOLOGIC'S ENTIRE WARRANTY RESPONSIBILITY IS EXPRESSLY LIMITED TO REPAIR OR REPLACEMENT (AT HOLOGIC'S OPTION AND IN THE FORM ORIGINALLY SHIPPED) OF PRODUCT OR CORRECTION OF SERVICE SUBJECT TO ANY CLAIM, OR, AT HOLOGIC'S ELECTION, REPAYMENT OF, OR CREDITING CUSTOMER WITH, AN AMOUNT EQUAL TO THE HOLOGIC PRICE, FEE OR CHARGE THEREFOR. THE FOREGOING WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SUCH LIMITED WARRANTY IS GIVEN SOLELY TO THE ORIGINAL CUSTOMER AND IS NOT GIVEN TO, NOR MAY IT BE RELIED UPON BY, ANY THIRD PARTY INCLUDING, WITHOUT LIMITATION, CUSTOMERS OF CUSTOMER. THIS WARRANTY IS VOID UPON TRANSFER OF PRODUCT BY CUSTOMER TO ANY ENTITY WHO HAS LESS THAN FIFTY (50) PERCENT OWNERSHIP IN THE PRODUCT. SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES SO THE ABOVE EXCLUSIONS MAY NOT APPLY TO CUSTOMER. CUSTOMER MAY ALSO HAVE OTHER RIGHTS, WHICH VARY, FROM STATE TO STATE. These warranties do not apply to any item that is: (a) repaired, moved, or altered other than by Hologic authorized service personnel; (b) subjected to physical (including thermal or electrical) abuse, stress, or misuse; (c) stored, maintained, or operated in any manner inconsistent with applicable Hologic specifications or instructions, including Customer's refusal to allow Hologic recommended Software upgrades; or (d) designated as supplied subject to a non-Hologic warranty or on a pre-release or "as-is" basis.

10. LIMIT OF LIABILITY. EXCEPT FOR PERSONAL INJURY OR DEATH TO THE EXTENT RESULTING FROM HOLOGIC'S NEGLIGENT OR INTENTIONALLY WRONGFUL ACTS OR OMISSIONS, HOLOGIC SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL LOSSES, DAMAGES, OR EXPENSES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, DATA, OR USE), DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING, SERVICE OR USE OF PRODUCT ORDERED OR FURNISHED PURSUANT TO THIS AGREEMENT, OR FROM ANY CAUSE RELATING THERETO UNLESS EXPRESSLY AGREED TO BY THE PARTIES IN WRITING. EXCEPT FOR PERSONAL INJURY OR DEATH TO THE EXTENT RESULTING FROM HOLOGIC'S NEGLIGENT OR INTENTIONALLY WRONGFUL ACTS OR OMISSIONS, IN NO EVENT SHALL HOLOGIC BE LIABLE UNDER ANY LEGAL THEORY OR FOR ANY CAUSE WHATSOEVER, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, NEGLIGENCE, OR OTHER THEORY, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, FOR ANY AMOUNT IN EXCESS OF THE PRICE, FEE OR CHARGE THEREFOR RECEIVED BY HOLOGIC.

11. Insurance. Hologic shall at all times during the term of the Agreement maintain in effect the following insurance with respect to Customer's location (i) worker's compensation insurance covering any and all of its employees, agents or representatives who may be providing services to Customer under the terms of the Agreement, in amounts and coverage complying with the requirements of the applicable state; (ii) general liability insurance covering the acts or omissions of Hologic and its employees, agents or representatives, and any and all Equipment and other personal property of Hologic; and (iii) products liability insurance. At Customer's request, Hologic shall provide a certificate of insurance to Customer.

12. Governmental Authorizations. Customer is responsible for compliance and costs associated with all required licenses, permits, or other governmental authorizations, including but not limited to, any license or certification needed for Customer to use the Product, and any export or import license, exchange permit, or the like ("Licenses"), even if applied for by Hologic on Customer's behalf. If any authorization is delayed, denied, revoked, restricted or not renewed, Hologic shall not be liable, and Customer is not relieved of its obligations. Customer represents and agrees that it will handle all Product and technical data related to the Licenses so that it conforms to all applicable U.S. laws and regulations, including U.S. export licensing laws and the U.S. Foreign Corrupt Practices Act. Customer shall not trans-ship, divert, re-export or otherwise dispose of any U.S. origin goods or technology obtained from Hologic except as U.S. laws and regulations expressly permit.

13. Intellectual Property Indemnity. Hologic will defend, indemnify, and hold harmless Customer against any third-party claim that Customer's use of Products infringes a valid U.S. patent, copyright, or trademark, provided that: (1) Products are used as approved by Hologic and have not been altered other than by Hologic or its authorized service personnel; (2) Customer promptly notifies Hologic of such claim; (3) Hologic has sole control of the defense, settlement, or compromise thereof and Customer will be solely responsible for attorneys' fees and costs it incurs independently of Hologic's representation; and (4) Customer cooperates with Hologic and furnishes all aid, information, and assistance necessary or useful to defend such claim. If a final injunction is obtained against the Customer's use of any Product, or if in the opinion of Hologic the Product is likely to become the subject of a successful claim, Hologic may, at its option and in its sole discretion: (i) obtain for Customer the right to continue using the Product; (ii) replace or modify the Product so that it becomes non-infringing; or (iii) if neither (i) or (ii) are reasonably available, accept return of such Products held by Customer, grant a credit therefore as depreciated on a five-year straight-line basis, and terminate the Agreement without any further obligation or liability. The remedy selected by Hologic will be Customer's exclusive remedy for any damage, cost, or expense resulting from any court order or settlement enjoining Customer's use of the Product.

14. Software License. The term "Software" includes all Hologic (and third-party) computer software, firmware and associated documentation, whether in printed or machine-readable form supplied by reason of the Agreement or for use in connection with Equipment or Services. To the extent the Product includes Software, Customer is granted a non-exclusive, non-transferable, royalty-free license to use Software solely on the Equipment on which it is first installed or as designated in the Agreement, in connection with the Equipment in the normal course of Customer's business, and for no other purpose or business. No license is provided under the Agreement to use Software for multi-site quality control or data review purposes or for source code of any type. Software, at all times, shall remain the sole property of Hologic. Software is agreed to contain and shall be treated as confidential information. Customer shall maintain all copyright, proprietary, and other notices on the Software, and shall not de-compile, disassemble, or reverse engineer the Software. The Parties agree that all information needed for interoperability is available from Hologic in accordance with applicable government directives. From time to time Hologic may develop new versions or updates for this software. Customer agrees to allow Hologic access to the Equipment in order to implement any new versions or updates to the software. If Customer transfers Equipment to a third-party, Customer may assign the right to use Software on the Equipment; provided, that the third-party agrees in writing with Hologic to be bound by and to permit Hologic to enforce the provisions of this Section. Customer has no other right to use, sell, assign, transfer, copy, or sublicense Software. As identified in the applicable software product specifications, some third-party software vendors (including Microsoft Corporation) provide different warranties and require different or additional terms applicable to software which they supply; such warranties and terms supersede the Agreement and Customer agrees to abide by such terms with respect to such third-party software. The Microsoft End User License is located on the applicable installation CD-ROM (file name is EULAtxt). In addition to all other rights and remedies Hologic may have at law or in equity, Hologic may immediately terminate any Software license agreement should Customer default on any portion of this section.

15. Confidential Information. Both Parties agree to hold in strict confidence the terms of the Agreement and all information provided to the other in connection with the performance of their respective obligations under the Agreement, including without limitation, financial information and information relating to the Customer and pricing, except to the extent that disclosure is required by applicable law. Notwithstanding the above, the terms and conditions of the Agreement will not be disclosed to any third-party without the prior written consent of the other Party, except either Party may disclose the terms and conditions of the Agreement to its employees, professional advisors, agents or independent contractors that are providing contractual services for the applicable Party and who require knowledge of the terms and conditions of the Agreement, so long as such individuals are subject to applicable non-disclosure agreements.

16. Intended Uses. Products are only intended for the uses listed in the applicable operator's manual or instructions for use. Customer assumes all risks associated with non-listed uses of Products and hereby indemnifies and holds Hologic harmless from any claim associated with such non-listed uses.

17. Compliance with Laws. Hologic and Customer agree to comply with all federal and state laws that govern the enforceability and performance of the Agreement.

18. HIPAA Compliance. To the extent HIPAA (as defined below) applies, both Parties agree to comply with the applicable provisions of the privacy regulations within the Health

Insurance Portability and Accountability Act of 1996, as enacted in 45 C.F.R. parts 160, 162, and 164 and as codified at 42 U.S.C. § 1320d, as amended from time to time ("HIPAA"). Hologic agrees that if it directly or indirectly gains access to Protected Health Information ("PHI") during any interaction with Customer it will keep the PHI confidential pursuant to the terms of the Agreement.

19. Federal and State Reporting/Disclosure Laws. Customer acknowledges and agrees that federal and state reporting laws, including, but not limited to, the Federal Physician Payments Sunshine Act, may require Hologic to disclose certain aspects of this arrangement. Unless otherwise noted in the Agreement, the cost of any Product training provided by Hologic shall be included in the purchase price of the Product where applicable.

20. Fraud and Abuse. Hologic hereby certifies that it is not currently a listed vendor in the: (a) Federal General Services Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Presidential Executive Orders 12549 and 12689 "Debarment and Suspension;" and (b) in the Office of the Inspector General of the Department of Health and Human Services' "List of Excluded Individuals/Entities." Any discounted pricing terms offered under the Agreement may be a "discount or other reduction in price" under the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). Customer shall take all actions necessary to comply with the Anti-Kickback Statute discount safe harbor regulations, 42 C.F.R. § 1001.952(h), including but not limited to, (1) maintaining accurate records reflecting the pricing terms of items and Services purchased under the Agreement, (2) fully and accurately reporting any discount received under the Agreement if applicable, and (3) making available information provided to Customer by Hologic concerning cost reports and other filings with the government, including but not limited to, the Secretary of the U.S. Department of Health and Human Services or other state agencies.

21. Access to Books and Records. Until the expiration of four (4) years after the furnishing of Services under the Agreement, Hologic shall make available upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized representatives, the Agreement and such books, documents and records of Hologic as are necessary to certify the nature and extent of the costs hereunder. If Hologic carries out any of its duties under the Agreement through a subcontract, for the value or cost of $10,000 or more over a twelve (12)-month period, with a related organization, such contract shall contain a clause placing the same duty on the subcontractor as the agreement places on Hologic. This clause shall survive the termination of the Agreement according to its terms. If the law or regulations are effectively amended to increase or decrease the annual amount necessary to require this clause, the amount set forth herein shall be amended accordingly. Notwithstanding the presence of this clause in the Agreement, this clause shall only apply if the actual dollar amount paid during any twelve (12)-month period equals or exceeds the government threshold amount.

22. Default. In addition to any default events specified elsewhere in this Agreement, the occurrence of any of the following events shall constitute a default ("Default") by either applicable Party: (a) non-payment when due of any amount payable by Customer in accordance with this Agreement; and/or (b) either Party's failure to materially perform any covenant or condition of this Agreement. In the event of Default by Customer hereunder, all indebtedness of Customer may, at the option of Hologic and without demand or notice of any kind, immediately become due and payable, and in addition to all other remedies, Hologic may (i) require Customer to return any Hologic-owned Equipment and/or (ii) immediately terminate this Agreement. The non-Defaulting Party shall be entitled to recover from the Defaulting Party any and all expenses and damages that the non-Defaulting Party sustains by reason of Default including, but not limited to, reasonable attorneys' fees, and in the case of Hologic, all expenses of repossession, removal, storage and disposition of the Equipment. The remedies and rights specified herein shall not be exclusive and shall be cumulative. The exercise or the non-exercise of any right or remedy shall not limit or prejudice the non-defaulting Party as to that right or remedy or as to any other rights or remedies provided by applicable law.

23. Bankruptcy. Except as may be prohibited by applicable bankruptcy laws, a Party to the Agreement may elect to cancel any unfulfilled obligations if any of the following situations arise: (1) the other Party becomes insolvent or is unable to pay debts as they become due; (2) a voluntary or involuntary bankruptcy proceeding is instituted by or against a Party hereto; or (3) an appointment of a receiver or assignee for the benefit of creditors occurs on behalf of a Party hereto.

24. Waiver and Severability. If either Party fails to perform obligations under the Agreement, such nonperformance shall not affect the other Party's right to enforce performance at any time. Waiver of any remedy or material breach of any subject matter contained in the Agreement shall not be viewed as a waiver unless agreed to by the Parties in writing. Each provision of the Agreement is separate and independent of one another, and the unenforceability of any provision will not affect the enforceability of any other provision. If any provision is held to be excessively broad or unenforceable, such provision shall be modified accordingly so that it is enforceable to the fullest extent possible by law.

25. Assignment. Subject to the limitations provided in Section 14, Customer shall not assign the Agreement without the prior written consent of Hologic, which consent shall not be unreasonably withheld or delayed. Subject to the foregoing, the rights and obligations herein will be binding upon the successors and assigns of Customer.

26. Notices. Any notification required under this Agreement shall be deemed to have been given either one (1) day after being given to an express overnight carrier with a reliable system for tracking delivery; or when sent by a confirmed facsimile with another copy sent by any other means specified in this paragraph; or three (3) business days after having been mailed postage prepaid by United States registered or certified mail. Any required notices to Customer will be delivered to the address set forth in the applicable Hologic quote or other purchasing program document, and to Hologic at the addresses listed below. Either Party may change its mailing address by notice as provided by this section.

Hologic, Inc.
250 Campus Drive
Marlborough, MA 01752
Attn: Contracts Department
Fax: 866-523-8691

With a copy to:
Hologic, Inc.
250 Campus Drive
Marlborough, MA 01752
Attn: Legal Department
Fax: 508-263-2959

27. Governing Law. Upon execution, the Agreement is considered to be a Massachusetts contract, entered into in Massachusetts, and shall be governed and viewed under the laws of the Commonwealth of Massachusetts without reference to its conflict of laws provisions. The Parties specifically agree that any action relating to the relationship between the Parties, the Agreement, Products, or Services provided, purchased or licensed hereunder, shall be brought and tried in the Courts of Massachusetts. Customer hereby waives all objections to, and consents to the jurisdiction of the Massachusetts Courts.

28. Counterparts and Electronic Signatures. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by facsimile transmission or delivered by scanned image (e.g. .pdf or .tiff file extension name) as an attachment to electronic mail (email). Such facsimile or scanned signature must be treated in all respects as having the same effect as an original signature.

29. Miscellaneous. See applicable Hologic quote, attachment or purchasing program for additional terms and conditions, which may include, but are not limited to: Term, Termination, and Right of Returns or Cancellation.

KentuckyOne Health™
University of Louisville Hospital

ARMOR
MOBILE SYSTEMS

Premier Series

Mobile Mammography Coach *Proposal*

Presented to

University of Louisville Hospital

James Graham Brown Cancer Center

Prepared by

ARMOR
MOBILE SYSTEMS

April 29, 2015

KentuckyOne Health™
University of Louisville Hospital

ARMOR
MOBILE SYSTEMS

Mr. Mike Goode
University Hospital
Administrative Director Diagnostic Imaging Services
530 South Jackson St
Louisville, KY 40202
April 29, 2015

Dear Mike,

Thank you for the opportunity to provide a quotation for one (1) *Premier Series III* digital mammography coach with additional exam room. This floor plan is efficient and beautiful. Armor's coach design with forward engine allows for 100% of the floor to be flat.

With our industry-leading ten-year body warranty, Armor Mobile Systems is considered the "quality leader" in mobile medical vehicles, and we would welcome the opportunity build these *Premier Series III* coaches for your organization.

Please review the details in the quote, but here are the major points of the proposal:

Coach Model: *Premier Series III,* 40-foot Mobile Mammography Coach

General Configuration: Reception/Waiting Area; Changing Rooms (2); Mammography Suite; Exam Room; Underfloor Wheel Chair Lift; Hologic required UPS and Acrylic Shield for (Selenia Unit); Exterior Graphics Allowance, Delivery.

Investment: The price for a single unit ordered is $478,000.

Please let me know if you have any questions or comments.

I look forward to talking with you soon.

Sincerely,

Paul Simpson

Paul Simpson

Armor Mobile Systems
4600 North Mason-Montgomery Rd.
Mason, OH 45040
Office 513-923-5757
Mobile 513-460-0630
Fax 513-923-5473

KentuckyOne Health™
University of Louisville Hospital

PSimpson@ArmorMobile.com
www.ArmorMobile.com

ARMOR
MOBILE SYSTEMS

Armor Mobile Systems

Armor Mobile Systems is pleased to have the opportunity to provide your organization with information and a proposal relative to our *Premier Series* Mobile Mammography Coach.

Armor Mobile Systems is uniquely qualified to design, engineer, manufacturer and service your proposed mobile mammography coach. We have been building the country's highest quality, longest lasting medical vehicles in the industry for over 20 years. With hundreds of units on the road, we not only have in-depth manufacturing experience and know-how, but we have invaluable understanding and knowledge of the unique needs of the medical industry.

Armor Mobile Systems is a division of The Armor Group, a multi-faceted, Certified Woman-Owned, manufacturing firm in Mason, Ohio, near Cincinnati. Our ISO 9001 Certified facility encompasses over 300,000 square feet and employs nearly 300 highly trained and experienced engineers, designers and tradesmen. All manufacturing and assembly, with the exception of final paint and graphics, are done in-house at our plant.

Our heavily-equipped manufacturing facility and skilled tradesman, not only produce industry-leading mobile vehicles, but are also best equipped to be your complete ongoing service center.



The ARMOR Difference

The Chassis is the "Foundation" of a Quality Coach

Every Armor coach is built upon a Commercial Freightliner Chassis and used for high volume medical applications. Our heavy duty coaches are manufactured to handle patients and staff needs on an everyday basis; and to maintain your professional image in the community for many years.

Armor's diesel front-engine commercial chassis uses stronger steel frame rails to better support the intense everyday commercial use that is part of a mobile medical program, and minimize the twists and turns which affect its suspension. Using this stronger chassis platform as a basis allows Armor to engineer and manufacture a vehicle that can better support and protect high-end medical equipment. The front engine chassis also allows for a flat floor throughout your clinical area.

Our commercial Freightliner Chassis has a tested useful life of over 10 years, and will likely last 15 or more; RV chassis are tested for only a useful life of 5 years. Your organization's medical program deserves a mobile unit that will withstand your patient traffic and provide many years of service to your community.

Planning and Project Management

Your Armor Project Manager will work closely with you and your equipment suppliers throughout the project to ensure that the vehicle is built on budget, and on time. Our Project Manager is your ongoing Armor liaison to *going mobile*.

Service, Maintenance and Repair Support

Armor will support your vehicle during your warranty period and beyond. We begin by connecting you with approved warranty providers in your geographic area. These service centers will assist you with any warranty needs you may have with your engine, transmission, generator, etc. We will be connected to these companies as well, and will assist them in keeping you on the road.

Ongoing maintenance and timely repair of your coach is essential as well. We will provide complete schedules and recommendations for you to keep your unit in tip top shape. Although all maintenance and repair procedures can be performed at Armor's facility in Cincinnati, we will support your local service provider. Our 800 Number offers 24/7 connection to our Service and Parts Team.

Just like any vehicle or other piece of equipment, performing regularly scheduled maintenance reduces down-time and extends the useful life of your coach *and* your mobile program!

Armor Mobile System's Warranty Summary

- Bumper to Bumper Coverage – 12 months or 12,000 miles
- Freightliner Chassis – 36 months or 50,000 miles including Roadside Assistance
- Cummins Diesel Engine – 24 months or 50,000 miles
- Allison Automatic Transmission – 24 months or 80,000 miles
- Generator – 12 months or 1,000 hours
- Exterior Automotive Paint – 60 months with unlimited miles
- Armor Body Structural Warranty – 10 years with unlimited miles

Extended warranty options are also available

Premier Series Mammography Coach Layout & Design



Our *Premier Series* Mammography Coach has been designed and developed after building hundreds of medical coaches over the past two decades. This standardized floor plan not only incorporates our past customers' most commonly requested features, but it has also been developed to integrate the best-practices of the mobile mammography industry.

Patient comfort and patient flow are one of the key principals in a successful mobile program. Armor has listened to our clients' success stories and pitfalls to make sure your new *Premier Series* coach is optimized for peak performance. Your onboard staff needs to be comfortable and secure as well. They will be working in tight quarters that need to feel roomy yet still be efficient.

Summary of the *Premier Series III;* features and purchased options:

1. Cab
   - *Optional* passenger side door
   - Camera system, auto stabilizers, tilt power steering, cruise, engine brake, gage package
   - 8 way power assisted seating, heated power mirrors, power sunshades, privacy curtain

2. Front Exam Room
   - Sink
   - Mirror
   - Exam table
   - Rolling stool
   - Cabinets
   - *Optional* wall mounted HVAC

3. A Reception / Waiting Area
   - Seating capacity with an intake chair and patient seating
   - A flat screen monitor for DVD/VCR
   - Cabinets for storage or files
   - Cab table for printer or additional
   - Cabin exhaust fan/heater with thermostat

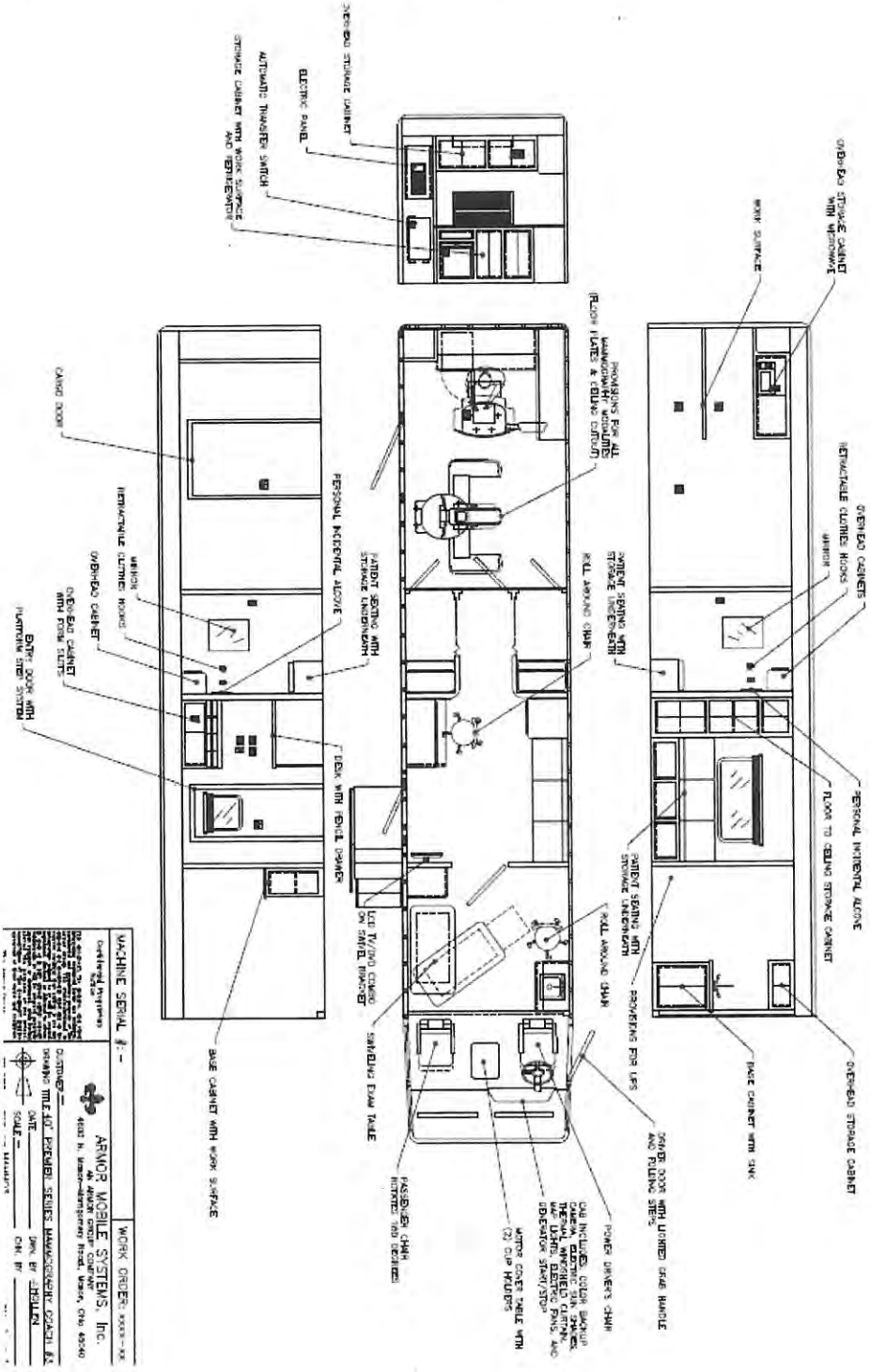
4. Dual Changing Rooms
   - Separate and private access
   - Includes settee with hamper, overhead cabinets, mirror and coat hooks
   - Recessed literature racks

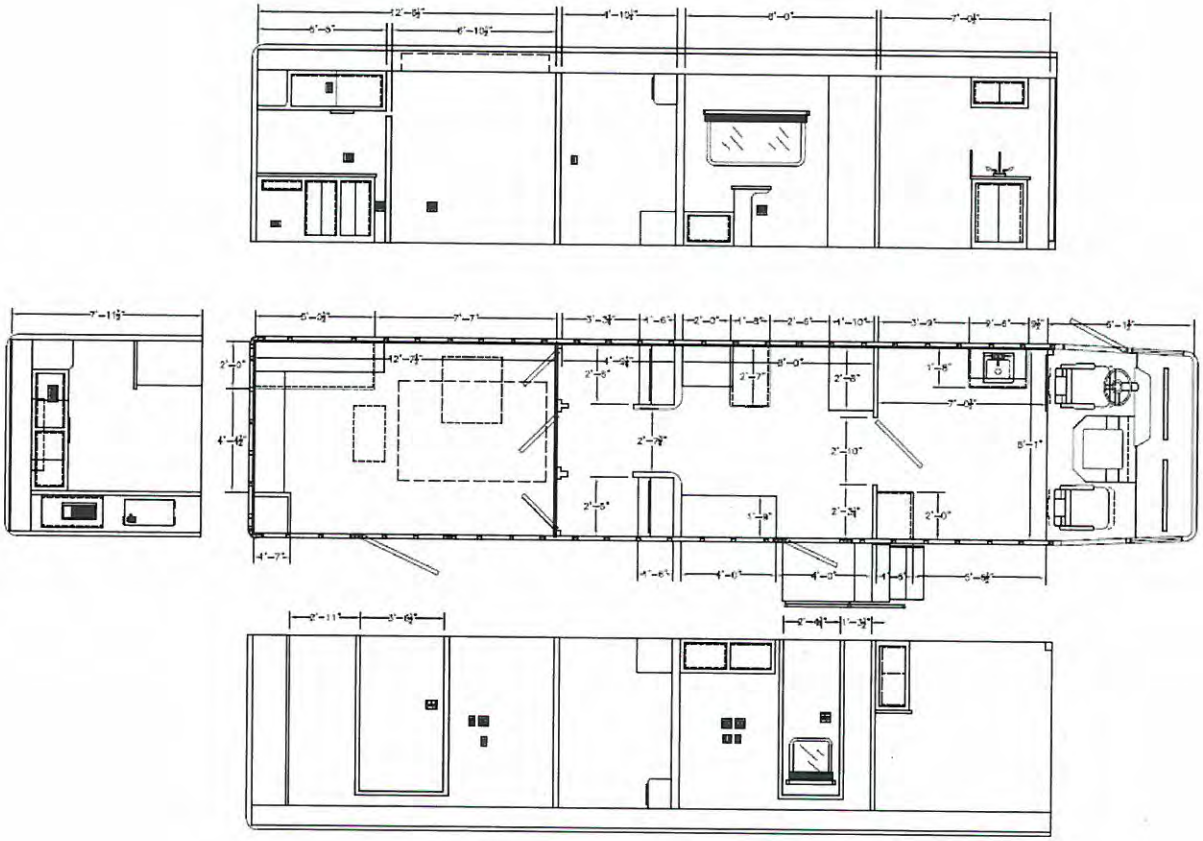
5. Spacious Mammography Suite / Rear Work Area
   - Rear base cabinets with drawers and doors, countertop work surfaces, overhead cabinets
   - Refrigerator and microwave
   - Patch panel, CAT wiring
   - Soft and comfortable lighting
   - Volume-controlled stereo speakers
   - *Optional* wall mounted back up HVAC
   - *Optional* Underfloor wheel chair lift
   - *Optional* UPS and acrylic shield for Hologic Selenia unit
   - Solid core wood doors between suite, changing room and hallway

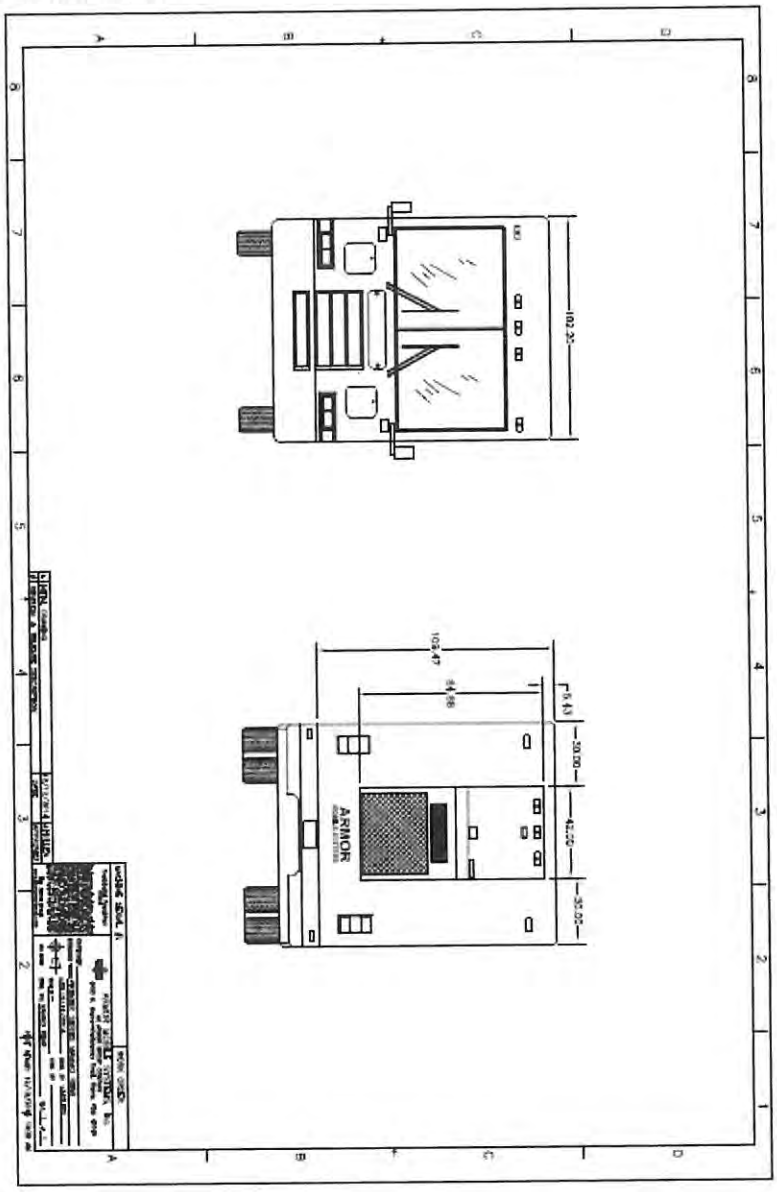
6. Exterior
   - Platform step system
   - Central HVAC system
   - Power awning with wind detection sensor and retraction
   - Battery charging system and auto transfer switching

(See coach specifications below for other important details)

Premier Series Mammo III Floor Plan







Coach Specifications and Features

Vehicle Dimensions

- Overall Body Length (bumper to bumper) 40ft
- Overall Exterior Body Width (excluding safety equipment).....102in
- Overall Exterior Body Height.....12ft-6in
- Overall Interior Floor Length.....33ft-4in
- Overall Interior Floor Width.....96.5in
- Overall (headroom).....87in

Chassis Specifications

- Chassis Type ..... Freightliner MB55/65 Front-Engine Raised-Rail
- Wheelbase 276in
- Gross Vehicle Weight Rating 30,000lbs
- Frame Rails .312x2.81x9.125 steel channel raised-rail high-strength steel frame (80KSI)
- Engine ..... Cummins ISB 6.7 liter 240HP @2300RPM 560lb/ft. torque @1600RPM
- Transmission ..... Allison 2500MH Series 5-speed Automatic
- Alternator ..... 12v, 170amp Leece Neville
- Batteries ..... Two (2) 12v group 31 100 CCA
- Brakes ..... Air Brake System with Wabco 4S/4M Antilock Brake System
- Brakes (front) ..... 15x5 Meritor double anchor spider cam non asbestos front brake lining, with cast iron drum, and 5.5in unhanded automatic slack adjusters
- Brakes (rear) ... 16.5x7 Meritor double anchor spider cam non asbestos brake lining, with cast iron drum and Bendix automatic slack adjusters
- Fuel Tank ..... 90 (U.S.) gallon capacity between frame rails behind rear axle. Standard driver-side fuel fill with optional dual-fuel fills. Generator fuel pick-up tube set at roughly ¼ tank fuel capacity so generator does not empty tank of fuel
- Front Axle ..... 10,000lb capacity single front axle
- Rear Axle ..... 20,000lb R-series single rear axle
- Suspension (front).....Taper Leaf Spring, with maintenance-free rubber bushings, Sachs shocks and outboard mounted sway bar
- .....Airliner 20,000lb rear air suspension with high position ride height, dual instant response leveling sensors, and Gabriel shocks
- Steering.....TRW tilt/telescopic steering column w/foot actuated control pedal, cruise control switch mounted on turn signal arm, TRW power steering pump.
- Horns.....Electric over-air horn, and reverse-actuated audible Back-up Alarm
- Tires.....275/80R22.5 (16ply) Firestone FS560 Plus Steel Belted Radials
- Wheels.....22.5 x 8.25 Polished Alcoa Aluminum Wheels

Body Specifications

- Exterior side walls are constructed with 2" x 2" aluminum tubes and covered with .080 aluminum sheeting, chemically bonded for a screw-less and rivet-less body...
- Rear wall is constructed with 2" x 2" aluminum tubes and covered with a .375" fiberglass rear cap bonded and screwed to the aluminum tubular rear wall framework.
- Roof is constructed with 2" x 2" aluminum tubes and covered with a .060" reflective aluminum sheet chemically bonded to the structure, and sealed at the perimeter.

- Coach floor is constructed with 2" x 2" aluminum tubes on-center, with a perimeter constructed with 2" x 4" aluminum tubes. Exterior of floor is covered with .040" one-piece aluminum sheet, chemically bonded to the structural tubes. The floor is mated to the secondary chassis support rails using a foam barrier to eliminate galvanic corrosion. The floor is insulated with 2" thick fiberglass batt insulation and covered with a .750" thick tongue-and-groove plywood subfloor.
- The Skeletal cab structure is constructed with 2" x 2" aluminum tubes and then covered with a .375" smooth, aerodynamic fiberglass front cap that is adhesively bonded and screwed to the main structure.
- Insulation of roof, floor and all exterior walls is accomplished with 2"-thick fiberglass batt insulation.
- Interior Surfaces of walls are covered with .25-thick cabinet-grade Luann plywood; and finished with a .40-thick Nelplas brand commercial-grade laminate wall covering.
- Our premium platform step system is utilized for easy access of patients, and stores easily under the vehicle body.
- The cargo access door is located towards the rear of the coach and is available for loading and unloading of large equipment and cargo.
- An under-body wheel chair lift is an optional feature to be located under cargo door.
- Driver's access door includes mechanical fold-down 3-step system for entry.
- Exterior storage compartments are constructed with 16-gauge aluminum, welded seams, stainless steel hinges, and feature automatic illumination when opened.
- Exterior side-view mirrors are bus-style Velvac 716817 two-piece mirrors. Upper rectangular section has remote control and is heated. Lower sections are convex wide-angle, unheated, manually operated mirrors. Side view cameras are standard.
- Front bumper is a 5" steel channel, flush-wrapped, fiberglass fascia. Front bumper fascia is color matched to exterior paint color. Rear bumper is welded and formed steel box, painted to match exterior color.

Driver and Passenger Cab Area

- Driver and passenger seats each rotate 180 degrees and include 3-point seat belt systems. Driver's seat is 8-way Power Assisted.
- Back-up monitor system includes dash-mounted 7" color monitor; with flush-mounted rear view camera installed on exterior of rear body wall.
- Hydraulic leveling system is a fully automatic, "one-touch", computerized system with dash-mounted controls.
- Sound system includes AM/FM stereo with single disk CD player, auxiliary input, and digital clock. Speakers are installed throughout coach and include individual room volume controls.
- Vehicle height sticker is affixed to upper left corner of the drivers' side windshield.
- Engine cover mounted table with 2 drink holders for computer, printer or other equipment.

Interior Features and Finishes

- Smoke detector and CO detector (1 each) are included. Both are controlled by 9v batteries.
- Fire extinguishers (2) with quick-release mounting brackets are included. Extinguishers are 5-pound ABC dry chemical units.
- Seat cushioning materials meet or exceed FMVSS-302
- Flooring will be commercial-grade Konnecto brand commercial vinyl interlocking flooring.
- Ceiling is a 9" drop ceiling which allows easy access to all electrical runs in vehicle overhead. Drop ceiling tiles consist of a 1" thick polystyrene pad covered with bright white textured laminate for easy clean up. Ceiling grid is laid out with 2' x 2' pads.
- Overhead lighting is a mix of 2' x 2' troffer-type fluorescent fixtures and 6" recessed can-type incandescent fixtures.
- Interior cabinets, shelves, and drawer fronts are constructed with .50" cabinet-grade plywood with laminated finishes. Cabinet door fronts are constructed of .75" cabinet grade plywood with matching laminate finishes. All cabinet doors and drawers have positive-catch latches to hold them closed while vehicle is in motion. Locking mechanisms are an available option, and can be quoted.
- Countertops are .75" cabinet-grade plywood, doubled to 1.5" around the face perimeter, with laminated finishes.

HVAC System

- Central HVAC system is a Bard 4-ton unit with 10kw electric heat strips.
- Duct work is installed above drop ceiling for easy maintenance and repair.

Diesel Generator and 120/240-VAC Electrical System

- Diesel generator is a Martin 35KW 120/240 VAC single-phase unit mounted under coach floor with exterior access. Digital readout on generator displays voltage, frequency, and load levels on each line. Includes dash mount gages.
- Electrical outlets and wall switches are hospital-grade decora-style 12 VAC components, and include surge-protected receptacles where sensitive equipment is planned.
- Shore power cord is 40 feet long, 125 Amp 120 / 240 VAC single-phase, hardwired to coach, and stored in an exterior compartment.
- Automatic transfer switch ensures the generator will automatically start if the coach were to loose shore power. This ensures HVAC unit will continue to operate in order to protect sensitive on-board equipment.

12-Volt DC Electrical System

- Chassis batteries (2) are isolated from generator and coach batteries so that coach loads never run down the chassis or generator batteries or disable either starting circuit.
- Dedicated generator battery (1) ensures generator will always start.
- Battery charger is an industrial, top of the line, fan-cooled isolated marine battery charger with digital readouts showing charge state of each battery circuit.
- Electronic disconnect switches for ignition circuit, chassis circuit, and coach circuits.
- Secondary 120v inlet is available as back-up supply to battery charger and chassis block heater in event shore / generator usage are not available or desired.

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ARMOR
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Armor Mobile Systems (AMS)
Standard Terms and Conditions

This proposal and any resulting order is subject to the Terms and Conditions attached and is non-binding until acceptance of purchaser's purchase order by Armor Mobile Systems in writing and credit approval.

All prices are FOB Mason Ohio unless optional delivery is selected and are payable only in U.S. Dollars. Prices are based upon the defined standard unit. Any deviation from standard and pre-defined options will result in a price increase. Where optional delivery is selected Armor is responsible for transport of vehicle from AMS and is responsible for insuring it during transport.

Customer acceptance at AMS is required (unless waived in writing), and expenses related to this visit are the responsibility of the customer and in addition to the cost of the vehicle. Customer will be notified at least 10 days in advance of expected completion date, and must perform their acceptance within 20 days of that notification, or vehicle may be sold elsewhere by AMS.

No vehicle will be released from AMS prior to receipt of payment in full for all outstanding invoices.

PAYMENT TERMS -

- **30% Down Payment with Purchase Order**
- **30% due Day 60 after order**
- **30% due Day 90 after order**
- **Balance, net of all change orders and prior payments, due upon completion/acceptance at Armor Metal Group and must be paid prior to delivery.**

All taxes, fees and licenses are customer's responsibility; local sales tax will be the responsibility of the customer in addition to prices quoted unless certificate of tax exemption is provided. Certain states require third party inspection and/or documented code compliance with resulting insignia. The cost of these certifications will be quoted as required and depending upon the state, locality, and number of vehicles being ordered, and is in addition to the pricing schedule above.
NOTE: Please forward "Certificate of Tax Exemption" with Purchase Order.

VEHICLE PRODUCTION SCHEDULE -
Vehicle production time is typically 18-24 weeks, and is based upon chassis availability and current manufacturing schedule at the time of receipt of your Purchase Order, Deposit and executed Agreement.
Once your complete order has been received, accepted and acknowledged by Armor, a target delivery date will be assigned to your project. Meeting this target date is contingent upon customer's timely approvals of drawings, interior selections, graphics and onboard equipment. Delays in these approvals will result in a day-by-day adjustment in the final ship date of the vehicle. The delivery schedule is also dependent on compliance with the standard payment terms as stated in this quotation. Delays in payment will result in a day-by-day adjustment in the final ship date of the vehicle.

DISCLAIMERS - Armor Mobile Systems, Inc. does not accept any responsibility or liability for medical procedures performed on these vehicles, interpretation of tests performed or for medical advice given on the vehicle, or accidents of any kind which may occur involving any technician, vehicle or equipment operator, customer/patient, or visitor; or for meeting state to state requirements for certification of equipment and on board rooms. Compliance required for certification is the responsibility of the buyer.

ACCEPTANCE – The quote of which these terms and conditions are incorporated therein in their entirety is conditioned upon its written acceptance by the customer (hereinafter "Purchaser") within thirty (30) days from the date of the quote, and prior to such written acceptance, the quote and these terms and conditions are subject to change without notice. Upon Manufacturer's (as defined below) acceptance of the purchase order, these terms and conditions shall be binding on Purchaser. All previous agreements, understandings and quotations are superseded by these terms and conditions. No modification of any of these terms and conditions herein shall be binding on Manufacturer unless such modification is agreed to in writing by an authorized representative of Manufacturer from the Mason Office of Armor Metal Group. "Manufacturer" as used herein shall be deemed to mean the manufacturer as identified on the quote of which these terms and conditions are incorporated therein.

SHIPPING DATES - Shipping dates are approximate, based on prompt receipt by Manufacturer of all necessary information, and are subject to change by reason of factory conditions. Receipt of the mobile unit quoted (hereinafter the "Equipment") by the Purchaser shall constitute a waiver of all claims for delay. Production time is typically 18 to 24 weeks.), and is based upon materials availability and our current manufacturing schedule at the time of receipt of your Purchase Order, Deposit if needed and executed Agreement. Once your complete order has been received, accepted and acknowledged, a target delivery date will be assigned to your project. Meeting this target

date is contingent upon all required customer's approvals. Delays in these approvals will result in a day-by-day adjustment in the final ship date. The delivery schedule is also dependent on compliance with the standard payment terms as stated in this quotation. Delays in payment will result in a day-by-day adjustment in the final ship date of the vehicle.

PRICING - All prices quoted by Manufacturer are subject to change at any time and to any addition which may be necessary to cover any regional or nationwide material price increase or shipping surcharge to Manufacturer for materials. Production time is typically 18 to 24 weeks.), and is based upon materials availability and our current manufacturing schedule at the time of receipt of your Purchase Order, Deposit if needed and executed Agreement. Once your complete order has been received and acknowledged, a target delivery date will be assigned to your project. Meeting this target date is contingent upon all required customer's approvals. Delays in these approvals will result in a day-by-day adjustment in the final ship date. The delivery schedule is also dependent on compliance with the standard payment terms as stated in this quotation. Delays in payment will result in a day-by-day adjustment in the final ship date of the vehicle.
Manufacturer reserves the right to correct all typographical or clerical errors, which may be present in Manufacturer's prices or specifications.

TERMS - Unless otherwise mutually agreed upon in writing, the Equipment is sold F.O.B. Manufacturer's Factory. Terms of this sale are subject to separate written agreement between Manufacturer and Purchaser, to be determined at the time of consummation of this sale. Unless otherwise provided in such separate written agreement, payment in full shall be due and invoiced when the Equipment is ready for delivery. No cash discounts are allowed unless otherwise specifically provided by Manufacturer in writing. If, in the exclusive judgment of Manufacturer, the financial condition of Purchaser at any time does not justify the commencement or continuance of production or shipment on the terms specified herein, Manufacturer may, in addition to all other remedies it may have at law or in equity, make a written demand for full or partial payment in advance, suspend its performance until such payment is made and cancel the contract if such payment is not received by Manufacturer within 30 days after delivery in person or mailing of such demand by Manufacturer. If Purchaser fails to pay within ten (10) days after the due date thereof any sum required to be paid by Purchaser to Manufacturer hereunder, Purchaser will pay to Manufacturer for each delinquent payment or part thereof interest on such delinquent amount from the due date thereof until paid at the lesser of the maximum interest rate allowed by law or eighteen percent (18%) per annum. Sale price shall be payable in current funds of the United States at par.

BACKCHARGE POLICY - When a suspected problem develops in the field involving Manufacturer's product, Manufacturer should be contacted immediately. Purchaser shall give a written statement to Manufacturer detailing the nature of the problem and its probable cause. Manufacturer will evaluate the issue, and if confirmed to be a warranty issue, will respond in accordance with the warranty provisions below. Unless otherwise agreed in writing by Manufacturer, Manufacturer's personnel shall perform all required field service work. In the event an outside party performs any work for which the Manufacturer has not consented in writing, Purchaser shall be responsible for all such work. Prior consent consists of a written purchase order from the Manufacturer detailing the work to be performed and cost.

DUTY, TAXES, PERMITS AND BONDS - Any Federal, State, local or Import Duty or tax arising out of either sale, manufacture or installation of the Equipment or performance of the within contract, is not included in the quoted price, and where necessary, will be made an additional charge to be paid by Purchaser.

All licenses and permits, including without limitation, any building or erection licenses and permits, if necessary, shall likewise be paid by Purchaser; and should Manufacturer be required to furnish any Bond or Bonds on the within contract, the cost thereof shall also be added to the quoted price.

ADDITIONAL MATERIAL AND LABOR - Any material added to, or labor performed on or in connection with the Equipment or installation thereof, shall be at Purchaser's own expense, unless otherwise agreed to in writing by Manufacturer.

SAFETY DEVICES - Manufacturer will supply such safety devices or fire protection equipment as is specified in writing in its proposals. If Purchaser desires or requests through local, State or Insurance Underwriter's Specifications or regulations, other additional safety devices or equipment, Manufacturer will undertake, without being obligated therefore, to furnish same at Purchaser's cost.

USE OF SPECIFICATIONS AND DRAWINGS - The drawings, designs, specifications and data accompanying any proposal are Manufacturer's property and are subject to recall by Manufacturer at any time. Such drawings, designs, specifications and data, or any part of them, shall not be used by Purchaser for competitive bidding or similar purposes without Manufacturer's prior written approval.

TITLE AND OWNERSHIP - It is the intention that the Equipment be sold to Purchaser and that title to the same shall be acquired by Purchaser upon shipment from Manufacturer's premises. If Manufacturer gives Purchaser possession before final payment is made, it is hereby mutually agreed that:

a) The title and the right of possession of the Equipment shall transfer to the Purchaser upon shipment; provided however, Manufacturer shall retain a purchase money security interest lien on each piece of Equipment, including without limitation, any accessories to such Equipment, proceeds from the sale thereof and any insurance proceeds related to such Equipment until full and final payment therefore

(including payment of any promissory notes and/or other security taken in lieu of or in accordance with the terms hereof) shall have been made. Purchaser also authorizes Manufacturer to act as its agent and attorney-in-fact (where permitted by law) for the limited purpose of

preparing, executing in Purchaser's name, and filing on its behalf, a financing statement (for example, a UCC-1) to perfect Manufacturer's purchase money security interest in each piece of Equipment. Until title or license has passed to Purchaser and full and final payment has been received by Manufacturer, Purchaser shall not cause nor permit any piece of the Equipment to be sold, leased, or subject to a lien or other encumbrance other than Manufacturer's security interest;

b) In the event of default or breach of any of the Terms and Conditions of the contract, Manufacturer may, at its option, repossess the Equipment and all additions thereto, wherever found, free from all claims whatsoever;

c) Any risk of loss during shipment shall be borne by Purchaser and any loss or damage to the Equipment during shipment shall not relieve Purchaser of its obligations hereunder, including but not limited to making full and final payment to Manufacturer.

Manufacturer shall not be liable to Purchaser, nor shall Manufacturer be subject to any legal proceedings, criminal or civil, for Manufacturer's acts in such repossession, nor for the repayment of any money paid before such repossession as part payment for the Equipment, which shall be retained by Manufacturer as or on account of liquidating damages.

CLAIMS/LIABILITY -

a) Manufacturer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control or by acts of God, including floods, and acts of foreign nations, or caused by fire, strike, civil or military authority insurrection or riot, embargoes, car shortages, wrecks or delay in transportation.

b) Manufacturer shall have no responsibility for loss or damage to the Equipment after delivery to the carrier.

c) Manufacturer's liability arising out of the supplying of the Equipment or its use shall not under any circumstances exceed a credit of the purchase price, F.O.B. Manufacturer's factory, of the Equipment.

d) IN NO EVENT SHALL MANUFACTURER BE LIABLE FOR LIQUIDATED DAMAGES, OR INDIRECT, OR CONSEQUENTIAL DAMAGE OF ANY NATURE.

WARRANTIES -

a) Manufacturer warrants to Purchaser that the material and workmanship of the Equipment is of good quality and free of defects and the Equipment of its own manufacture and design delivered hereunder shall be of the kind and quality described in the specifications, and that it shall be suitable for performing the work therein described; provided, however, that the work for which it is intended shall have been fully and adequately presented, shown and described to Manufacturer. The warranty period will start upon shipment from a facility of Manufacturer and conclude based upon a separate prearranged warranty period agreed to in writing by Manufacturer.

b) EXCEPT AS SPECIFICALLY PROVIDED IN (a) ABOVE, MANUFACTURER MAKES NO WARRANTY, EXPRESS OR IMPLIED, RELATING TO THE EQUIPMENT, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

c) Manufacture does not provide a separate warranty for parts or components not manufactured by Manufacturer. Equipment, parts and accessories made by other manufacturers are warranted only to the extent of the original manufacturer's warranty to Manufacturer, which if extendable, Manufacturer will extend to Purchaser.

d) In the event of Manufacturer's breach of its warranty as provided in (a) above, Manufacturer's total liability shall be to repair or replace the Equipment and in no event shall Manufacturer have any liability for any consequential, incidental or other special damages, including but not limited to damages or loss of profits resulting from failure of the Equipment or delay caused by its repair.

e) All transportation costs of returning defective goods shall be borne by Purchaser. All transportation costs of returning repaired or replaced products to Purchaser shall be borne by Purchaser.

f) This warranty shall not be in force and effect unless: Purchaser is current with all payments due to Manufacturer; Purchaser gives Manufacturer immediate notice of defective part or parts; Purchaser affords the Manufacturer the opportunity to inspect defective part or

parts; material is still property of the original owner; material is still part of the original installation operating under normal usage (eight hours per day and five days per week constitutes normal usage); and material is properly maintained and lubricated per factory instructions.

g) THE ABOVE WARRANTITY DOES NOT COVER PARTS WHICH UPON INSPECTION ARE DETERMINED BY MANUFACTURER TO HAVE BEEN SUBJECTED TO MISUSE, NEGLECT, ALTERATIONS, ACCIDENT, ABUSE, DAMAGE BY FIRE, FLOOD OR OTHER SIMILAR CASUALTY.

h) Customer is responsible for maintaining an interior coach temperature of between 35°F and 100°F at all times. Failure to maintain this temperature will void all warranties applicable to the interior of the coach, and any resulting damage shall be the sole responsibility of the Buyer.

PATENTS - Manufacturer shall hold Purchaser harmless from any and all costs and damages which shall be recovered against Purchaser in any suit at law or in equity for any infringement of any Letters Patent by reason of the use by Purchaser of the Equipment herein specified; provided and upon the express condition that the Equipment is used in the manner directed and exclusively for the purpose for which it is sold without any changes and installed or used in compliance with Manufacturer's plans and instructions, and upon further express condition that Purchaser shall immediately after service of the writ in any such suit at law or in equity notify Manufacturer in writing of the commencement of such suit, giving the names of the parties and the title of the court, and shall permit Manufacturer to defend same by its own counsel and at its own expense and to have exclusive control and management of the defense, and that Purchaser shall give Manufacturer all needed information, assistance and authority to enable Manufacturer to defend such suit.

INDEMNIFICATION - Purchaser agrees to indemnify Manufacturer, and hold Manufacturer harmless from, all costs and expenses incurred by Manufacturer, including, without limitation, costs of investigation, attorneys' fees, and amounts paid in settlement or satisfaction of claims, proceedings, or judgments, in connection with all claims and proceedings against Manufacturer based upon claimed defects in design in any item or items manufactured for Purchaser by Manufacturer to Purchaser's design and/or specifications.

CANCELLATIONS - In the event Purchaser should request cancellation of this contract, or part of it, Purchaser agrees to pay Manufacturer the contract price on any articles which are delivered and ready for delivery on the date when such cancellation becomes effective. As to all such articles not so delivered, Purchaser shall have the option:

1) To require completion and to pay the contract price thereof; or

2) To reimburse Manufacturer for actual expenditures made with respect to the articles which are uncompleted; to reimburse Manufacturer for commitments incurred with respect to the uncompleted articles of the contract; and to pay Manufacturer for the anticipated profit of the entire contract.

Manufacturer may, by written notice to Purchaser and without any liability, cancel Purchaser's contract if Purchaser (i) fails to perform any of the terms and conditions hereof and does not cure such failure within a period of 10 days after receipt of written notice from Manufacturer specifying such failure: (ii) in Manufacturer's opinion has not established or maintained credit to meet promptly the payment terms imposed by Manufacturer: (iii) becomes insolvent, makes an assignment in favor of creditors, or becomes subject to any bankruptcy, dissolution, or similar proceedings; or (iv) is merged into, or all or a substantial part of its assets are sold to, another company.

FORCE MAJEURE - Delays by Manufacturer or by Purchaser in the performance of this contract shall be excused whenever Manufacturer or the supplying manufacturer is prevented from producing of delivering, or Purchaser from receiving or using the above material, by strikes, differences with workmen, fires, accidents, delays or difficulties in transportation acts of God or the public enemy, or other causes beyond the reasonable control of Purchaser or of Manufacturer or of the supplying manufacturer, as well as acts or demands of the government in times of war or national emergency. Any such delayed performance, however, shall not in any way invalidate this contract or any part thereof.

JURISDICTION - Purchaser irrevocably consents and voluntarily submits to personal jurisdiction of the courts located in Warren County and the United States District Court for the Southern District of Ohio, Western Division in any proceeding arising out of or relating to the contract and agrees that all claims raised in such proceeding may be heard and determined in such court.

GOVERNING LAW – The contract shall be governed by and construed in accordance with the internal laws of the State of Ohio, United States of America, without regard for its choice and or conflict of laws provisions and without regard to the United Nations Convention on Contracts for the International Sale of Goods.

Purchase Orders and/or contracts may only be accepted in writing by an authorized representative of Manufacturer.

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ARMOR
MOBILE SYSTEMS

Premier Series III Mammography Coach Pricing with Options

Pricing is for the purchase of one (1) Armor *Premier Series III* unit ordered on one PO
Credit approval required. 30% is due with the PO then at 60 and 90 days with remaining 10% prior to shipment.

Price includes:
UPS and Acrylic Shield for Hologic Selenia unit
Under-Floor Wheel Chair Lift in mammo suite
Graphics allowance ($7,000)

Pricing includes delivery and training
Delivery schedules will be set after receipt of PO
Change orders will require manufacturer approval and fees

TOTAL Price for One Unit..... $ 478,000.00*
*See above for options included with the price

Accepted by: _____ Date: _____
Armor Mobile's Authorized Signature and Title

Accepted by: _____ Date: _____
Purchaser's Authorized Signature and Title

Digital mammography equipment installation is to be provided by the equipment manufacturer or their authorized partner and is not included in the pricing. Armor will support the equipment installation as needed. Buyer assumes responsibility for cost of certification requirements including informing vehicle manufacturer of special requirements such as lead requirements prior to design and final price.
Price excludes applicable tax, VAT, delivery, licensing and registration.

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University of Louisville Hospital

ARMOR
MOBILE SYSTEMS

ARMOR Mobile Systems' Client References

Tri-health Women's Health 10500 Montgomery Rd., Cincinnati Ohio 45242
Nyota Stoker 513.346.5170 nyota_stoker@trihealth.com

The Jewish Hospital 4777 East Galbraith Rd., Cincinnati Ohio 45236
Annette Shepherd (513)686-5916 ATShepherd@health-partners.org

Francine's Friends 2200 Randallia Drive, Fort Wayne, IN 46805
Debi Kennedy (260)266-9180 Debi.kennedy@parkview.com

Harrington Cancer Center 1500 Wallace Blvd, Amarillo, TX 79106
Aneta Younger AYounger@harringtoncc.org

Stamford Hospital 32 Strawberry Hill Court, Stamford, CT 06904
Mary Henwood-Klotz (203)276-4450 mhenwood-klotz@stamhealth.org

St. Elizabeth Hospital 1500 James Simpson, Jr. Way, Covington, KY 41011
Madonna Vinicombe 859- 630-6173 mvinicom@stelizabeth.com

Memorial Hospital 2525 De Sales Avenue, Chattanooga, TN 37404
Kathy Dittmar 423-488-0586 kathy_dittmar@memorial.org

St Joseph Candler Health Care System 8 Medical Art Center Dr., Savannah Georgia 31405
Claire Tackett 912.355.8456 tackettc@sjchs.org

Virginia Dept. of Health 109 Governor Street, Richmond, VA 23219
Dr. Lynn Browder 804-864-7776 Lynn.Browder@vdh.virginia.gov

NYU College of Dentistry 345 E. 24th Street, New York, NY 10010
Connie Turner 212-998-9652 crt2@nyu.edu

St Joseph Health Ministries 832 Marietta Ave., Lancaster Pennsylvania 17603
Jeff O'Donnell 717.239.1193 jeffreyodonnell@catholichealth.net

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Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: FEB 04 2008

Person to Contact:
Tracy Garrigus #31-07307
Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
[redacted]

JEWISH HOSPITAL & ST MARYS HEALTHCARE INC
539 S 4TH STREET
LOUISVILLE KY 40202-2535

Dear Sir or Madam:

This is in response to your request of December 11, 2007, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in April 1984 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(iii).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy Westcott

Cindy Westcott
Manager, Exempt Organizations
Determinations

Jewish Hospital and St. Mary's Healthcare, Inc. Sys	Budget FY2015
Net patient services revenue	$ 2,188,993,372.00
Total nonpatient revenues	$ 92,295,754.00
Total operating revenue	$ 2,281,289,126.00
Salaries and wages	$ 761,913,514.00
Employee benefits	$ 183,702,809.00
Medical professional fees	$ 122,497,893.00
Purchased services	$ 384,944,796.00
Consulting and legal	$ 13,423,049.00
Supplies expense	$ 457,486,478.00
Utilities expense	$ 39,657,721.00
Insurance expense	$ 25,901,835.00
Rentals, leases and maintenance	$ 70,941,905.00
Depreciation and amortization	$ 102,353,974.00
Interest expense	$ 40,649,269.00
Other expenses	$ 140,170,856.00
National Assessment	$ -
Total operating expenses	$ 2,343,644,099.00
Income from operations before restructuring, impairment and other losses	$ (62,354,971.00)
Restructuring expense	$ 1,352,350.00
Income from operations	$ (63,707,321.00)
Investment income (loss)	$ 22,654,242.00
Loss on defeasance of bonds	$ -
Change in fair value of interest rate swaps	$ -
Other nonoperating gains (losses)	$ -
Nonoperating gains (losses)	$ 22,654,242.00
Excess of revenues over expenses	**$ (41,053,079.00)**
Income Statement	**$ (41,053,079.00)**

KentuckyOne Health Board of Directors
Fiscal Year 2016

KentuckyOne Health®



Richard A. Schultz
Board Chair,
KentuckyOne Health
Retired, Former President,
Paul Schultz Advertising
Prospect, Kentucky



Jane J. Chiles
Board Vice Chair,
KentuckyOne Health
eLink Design, Inc.
Lexington, Kentucky



Robert M. Hewett
Immediate Past Chair,
KentuckyOne Health
Retired, Former President,
Kentucky Utilities
Lexington, Kentucky



Ruth W. Brinkley, FACHE
President and CEO
KentuckyOne Health
Ex-Officio
Louisville, Kentucky



Michael Ades
Special Counsel
Centrepointe Project;
Associate, SteinGroup, LLC
Lexington, Kentucky



LouAnn Atlas
Vice President, Charitable
Management Services,
Fifth Third Bank, Inc.
Louisville, Kentucky



Charles "Chip" Blankenship, PhD
President and CEO
GE Appliances
Louisville, Kentucky



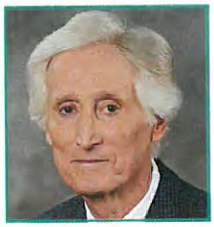
Jane W. Burks
Consultant
Louisville, Kentucky



David L. Dunn, MD, PhD
Executive Vice President
for Health Affairs,
University of Louisville
Louisville, Kentucky



Paul W. Edgett, III
Executive Vice President,
Growth & Business Acquisitions
Catholic Health Initiatives
Erlanger, Kentucky



David Fennell
Retired, PNC Bank
Louisville, Kentucky



Doug Hall
Executive Vice President,
Evergreen Rehabilitation
Louisville, Kentucky



Sandra B. Hammond
Ex-officio, Chair of the Jewish
Heritage Fund for Excellence;
Attorney, Tilford Dobbins
& Schmidt, PLLC
Louisville, Kentucky



Martha Jones
Retired CPA, Dean Dorton
Allen Ford PLLC
Lexington, Kentucky



John D. Stewart, II, MD
Physician, Director, United
Surgical Associates
Lexington, Kentucky



Gerald D. Temes, MD
Retired Thoracic Surgeon
Louisville, Kentucky



Louis I. Waterman
Partner, Goldberg Simpson, LLC
Louisville, Kentucky



Sr. Liz Wendeln
Consultant, Former Chair of
Catholic Health Initiatives
Board of Stewardship Trustees
Louisville, Kentucky



Russell Williams, MD
General Surgeon,
Associates in General Surgery
Louisville, Kentucky

KentuckyOneHealth.org

EXHIBIT A

DIRECTORS OF THE CORPORATION

CHI-Appointed Board Members

Name of Director	Initial Term End Date
Robert M. Hewett	June 30, 2017
Jane J. Chiles	June 30, 2017
Michael Ades	June 30, 2016
Jane Burks	June 30, 2016
_____	June 30, 2016
Michael Rowan	June 30, 2016
Paul W. Edgett, III	June 30, 2015
Miller Hoffman	June 30, 2015
_____	June 30, 2015
Sr. Liz Wendeln, SCN	June 30, 2015

JHFE-Appointed Board Members

Name of Director	Initial Term End Date
Lou Ann Atlas	June 30, 2017
Gerald Temes, M.D.	June 30, 2017
Russell Williams, M.D.	June 30, 2017
Richard Schultz	June 30, 2016
David Fennell	June 30, 2015

UofL Appointed Board Members

Name of Director	Initial Term End Date
David L. Dunn, M.D. Ph.D.	June 30, 2017
Robert C. Hughes, M.D.	June 30, 2017
Robert E. Rounsavall, III	June 30, 2016

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Revenues:		
Net patient service revenues before provision for doubtful accounts	**$ 2,343,710**	$ 1,999,165
Provision for doubtful accounts	**(254,277)**	(177,730)
Net patient service revenues	**2,089,433**	1,821,435
Nonpatient:		
Donations	**3,655**	6,393
Equity losses of unconsolidated organizations	**(52)**	(2,969)
Investment income	**–**	1,130
Other revenue	**87,435**	57,560
Total nonpatient revenues	**91,038**	62,114
Total operating revenues	**2,180,471**	1,883,549
Operating expenses:		
Personnel	**974,907**	899,708
Medical professional fees	**117,332**	60,355
Purchased services	**339,492**	251,043
Consulting and legal	**16,390**	15,609
Supplies	**484,487**	396,481
Utilities	**37,459**	32,365
Insurance	**26,785**	23,765
Rentals, leases and maintenance	**73,898**	74,775
Depreciation and amortization	**102,874**	90,686
Interest	**41,721**	35,893
Other	**165,374**	110,039
Operating expenses before restructuring expenses	**2,380,719**	1,990,719
Operating loss before restructuring expenses	**(200,248)**	(107,170)
Restructuring, impairment and other	**21,900**	13,312
Operating loss	**(222,148)**	(120,482)
Nonoperating gains – investment income, net	**74,069**	64,314
Excess of expenses over revenue	**(148,079)**	(56,168)

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Unrestricted net assets:		
Excess of expenses over revenue	**$ (148,079)**	$ (56,168)
Transfer from affiliates	**(922)**	2,360
Change in pension plan assets and obligation	**(4,760)**	11,625
Contributions to Capital Resource Pool	**–**	(5,401)
Net assets released for specific capital purposes and other changes	**115**	(243)
Transfer of net assets from CHI – Mission & Ministry Grants	**909**	–
Decrease in unrestricted net assets	**(152,737)**	(47,827)
Balance, beginning of year	**944,882**	992,709
Balance, end of year	**$ 792,145**	$ 944,882
Temporarily restricted net assets:		
Gifts and other receipts for specific purposes	**$ 3,061**	$ 7,286
Other	**111**	(95)
Net assets released from restrictions	**(2,467)**	(4,670)
Increase in temporarily restricted net assets	**705**	2,521
Balance, beginning of year	**17,344**	14,823
Balance, end of year	**$ 18,049**	$ 17,344
Permanently restricted net assets:		
Gifts and other receipts for specific purposes and other	**$ 1,655**	$ 1,331
Other	**–**	95
Increase in permanently restricted net assets	**1,655**	1,426
Balance, beginning of year	**11,152**	9,726
Balance, end of year	**$ 12,807**	$ 11,152

See accompanying notes.

Form **8453-EO**

Department of the Treasury
Internal Revenue Service

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2013, or tax year beginning 07/01 , 2013, and ending 06/30 , 20 14

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

OMB No. 1545-1879

2013

Name of exempt organization

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number [redacted]

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a** below and the amount on that line of the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	**Form 990** check here ▶ ☑	b	**Total revenue,** if any (Form 990, Part VIII, column (A), line 12) . .	1b	870,048,815
2a	**Form 990-EZ** check here ▶ ☐	b	**Total revenue,** if any (Form 990-EZ, line 9)	2b	
3a	**Form 1120-POL** check here ▶ ☐	b	**Total tax** (Form 1120-POL, line 22)	3b	
4a	**Form 990-PF** check here ▶ ☐	b	**Tax based on investment income** (Form 990-PF, Part VI, line 5)	4b	
5a	**Form 8868** check here ▶ ☐	b	**Balance due** (Form 8868, Part I, line 3c or Part II, line 8c) . . .	5b	

Part II Declaration of Officer

6 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund.

Sign Here ▶ Robert Stellingwerf | 5/14/15 | VP-FINANCE

Signature of officer | Date | Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only

ERO's signature ▶	Date	Check if also paid preparer ☐	Check if self-employed ☐	ERO's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶				EIN
				Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
PAMELA KROHN				[redacted]
Firm's name ▶ CATHOLIC HEALTH INIATIVES			Firm's EIN ▶	
Firm's address ▶ 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112			Phone no.	(303)298-9100

PUBLIC DISCLOSURE COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter Social Security numbers on this form as it may be made public.

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

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning JULY 01 , 2013, and ending JUNE 30 , 20 14

B Check if applicable:
- ☑ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 250 E. LIBERTY ST., STE. 500

Room/suite:

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

D Employer identification number: [redacted]

E Telephone number: (502)540-3888

G Gross receipts $: 870,242,991

F Name and address of principal officer: RUTH WILLIAMS BRINKLEY
200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW.JHSMH.ORG

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

L Year of formation: 1983

M State of legal domicile: KY

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO BE THE PREMIER, INTEGRATED, COMPREHENSIVE HEALTH SYSTEM IN THE COMMUNITY PROVIDING HIGH QUALITY CARE CLOSE TO HOME, REDUCING THE INCIDENCE OF DISEASE AND ELIMINATING INEQUITIES IN ACCESS TO CARE.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	6,584
6	Total number of volunteers (estimate if necessary)	6	894
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	963,575
b	Net unrelated business taxable income from Form 990-T, line 34	7b	184,812

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	10,705,232	4,776,856
9	Program service revenue (Part VIII, line 2g)	802,752,478	822,226,263
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	14,408,569	7,688,023
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	168,152,771	35,357,673
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	996,019,050	870,048,815
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,172,647	1,144,758
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	307,872,379	271,040,128
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 261,797		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	694,120,305	651,052,266
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	1,004,165,331	923,237,152
19	Revenue less expenses. Subtract line 18 from line 12	-8,146,281	-53,188,337

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	1,012,946,871	1,129,076,456
21	Total liabilities (Part X, line 26)	560,371,257	728,564,823
22	Net assets or fund balances. Subtract line 21 from line 20	452,575,614	400,511,633

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

Robert Steltenpohl — Signature of officer — Date: 5/14/15

ROBERT STELTENPOHL, VP-FINANCE — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PAMELA KROHN				P01210500

Firm's name ▶ CATHOLIC HEALTH INIATIVES — Firm's EIN ▶ 47-0617373

Firm's address ▶ 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112 — Phone no. (303)298-9100

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

Form **8868**

(Rev. January 2014)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at *www.irs.gov/form8868.***

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☑
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC	61-1029768
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	539 S. 4TH STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	LOUISVILLE, KY 40202	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ COLLEEN HOLTON

Telephone No. ▶ (502)540-3888 Fax No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until February 15, 20 15, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year 20 ____ or

▶ ☑ tax year beginning July 01, 20 13, and ending June 30, 20 14.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . ▶ ☑

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

		Enter filer's identifying number, see instructions
Type or print	Name of exempt organization or other filer, see instructions. JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC	Employer identification number (EIN) or [redacted]
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 250 E. LIBERTY ST., STE. 500	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LOUISVILLE, KY 40202	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ COLLEEN HOLTON

Telephone No. ▶ (502)540-3888 Fax No. ▶

• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . ▶ ☐. If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until May 15, 20 15.

5 For calendar year ____, or other tax year beginning July 01, 20 13, and ending June 30, 20 14.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Elmer O. Lumpkin Title ▶ Tax Supervisor Date ▶ 1/8/15

Form **8868** (Rev. 1-2014)

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:

TO BRING HOPE, IMPROVE HEALTH AND CHANGE LIVES. INSPIRED BY OUR CATHOLIC AND JEWISH FAITH HERITAGE, WE SERVE WITH A SPIRIT OF INNOVATION AND COLLABORATION, TRANSFORM HEALTH CARE DELIVERY, PARTNER TO CREATE HEALTHY COMMUNITIES AND ADVOCATE FOR A JUST HEALTH SYSTEM.

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 $ 767,348,896 including grants of $ 1,144,758) (Revenue $ 816,492,894)

SEE SCHEDULE H

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

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

4d Other program services (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses ▶ 767,348,896

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	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	✓	
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		✓
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	✓	
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		✓
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		✓
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		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
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		✓
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	✓	
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	✓	
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	✓	
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		✓
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	✓	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	✓	
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	✓	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		✓
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	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
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		✓
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	✓	
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		✓
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		✓
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	✓	
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	✓	
20 a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	✓	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	✓	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	33		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	13		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	6,584		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	✓	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b	✓	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	✓	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	✓	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	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?		14a		✓
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 line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 18		
b	Enter the number of voting members included in line 1a, above, who are independent .	1b 15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		✓
6	Did the organization have members or stockholders?	6	✓	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	✓	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	✓	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

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

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

Section C. Disclosure

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

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

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ ROBERT STELTENPOHL, 200 ABRAHAM FLEXNER WAY 1ST FL, LOUISVILLE, KY 40202, (502)587-4691

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROBERT HEWETT	1									
CHAIR	10	✓		✓				0	0	0
(2) RUTH WILLIAMS BRINKLEY	5									
PRESIDENT/CEO KENTUCKYONE HEALTH	55	✓		✓				0	1,397,702	169,553
(3) RUSSELL D WILLIAMS, MD	55									
DIRECTOR/CFO KOH	6	✓		✓				0	0	0
(4) RICHARD SCHULTZ	1									
VICE CHAIR	5	✓		✓				0	0	0
(5) ROBERT W ROUNSAVALL, III	1									
DIRECTOR	5	✓						0	0	0
(6) MIKE ADES	1									
DIRECTOR	5	✓						0	0	0
(7) MELVIN ALEXANDER	1									
DIRECTOR/CFO KOH	60	✓						0	1,521,368	2,024
(8) DAVID FENNELL	1									
DIRECTOR	6	✓						0	0	0
(9) MILLER HOFFMAN	1									
DIRECTOR	5	✓						0	0	0
(10) MICHAEL ROWAN, FACHE	1									
DIRECTOR/CHI EVP & COO	69	✓						0	2,769,716	258,055
(11) SR ELIZABETH WENDELN	1									
DIRECTOR	6	✓						0	0	0
(12) MARTHA JONES	1									
DIRECTOR	3	✓						0	0	0
(13) MARY SIAS	1									
DIRECTOR	3	✓						0	0	0
(14) JANE BURKS	1									
DIRECTOR	4	✓						0	0	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) JANE J CHILES	1									
DIRECTOR	4	✓						0	0	0
(16) GERALD TEMES, MD	1									
DIRECTOR	4	✓						0	0	0
(17) DAVID L DUNN	1									
DIRECTOR	4	✓						0	0	0
(18) ROBERT C HUGHES, MD	1									
DIRECTOR	5	✓						0	0	0
(19) LOUANN ATLAS	1									
DIRECTOR	4	✓						0	0	0
(20) SHERRI CRAIG	45									
VICE PRESIDENT	15			✓				178,816	0	17,295
(21) SHARON HAGER	1									
SECRETARY	54			✓				0	377,027	32,469
(22) COLLEEN HOLTON	5									
VP FIN PLANNING	51			✓				0	193,791	13,954
(23) LISA DOLAN	40									
VP NURSING	0				✓			178,523	0	17,678
(24) CHERYL FUGATTE	50									
VICE PRESIDENT/CNO	0				✓			208,921	0	8,835
(25) KENNETH JOHNSON	50									
VICE PRESIDENT	0				✓			183,353	0	20,758
1b Sub-total ▶								749,613	6,259,604	540,621
c Total from continuation sheets to Part VII, Section A ▶								4,898,780	1,362,118	435,377
d Total (add lines 1b and 1c) ▶								5,648,393	7,621,722	975,997

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 ▶

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK HEALTHCARE SUPPORT SERVICES, 24863 NETWORK PLACE, CHICAGO, IL 60673-1248	FOOD SERVICES/ENV. SERVICES	22,465,105
ORIGIN, INC., 1800 SW 1ST AVENUE SUITE 510, PORTLAND, OR 97201	STAFFING	3,365,150
MG CARROLL SP SHETH & V RATHAVAN PARTNERS, 1460 BLUEGRASS AVENUE, LOUISVILLE, KY 40215	SPECIALISTS	2,983,333
UNIVERSITY CARDIOTHORACIC SURGICAL ASSOCIATES, 201 ABRAHAM FLEXNER WAY, SUITE 1200, LOUISVILLE, KY 40202	ON-CALL SURGEONS	2,792,170
CREATIVE ALLIANCE, 437 WEST JEFFERSON STREET, LOUISVILLE, KY 40202	MARKETING	2,532,137

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 ▶ 108

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	304,950			
	d	Related organizations	1d	908,669			
	e	Government grants (contributions)	1e	506,348			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,056,889			
	g	Noncash contributions included in lines 1a-1f: $		99,079			
	h	**Total.** Add lines 1a–1f ▶		4,776,856			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	900099	809,207,525	808,232,156	975,369	
	b	RENTAL INCOME	900099	11,842,292	7,146,740		4,695,552
	c	EQUITY CHANGES OF UNCONSOLIDATED ORGS	900099	1,176,446	1,176,446		
	d			0			
	e			0			
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f ▶		822,226,263			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		1,852,632		-11,794	1,864,426
	4	Income from investment of tax-exempt bond proceeds ▶		0			
	5	Royalties ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)	0 / 0				
	d	Net rental income or (loss) ▶		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	5,842,802				
	b	Less: cost or other basis and sales expenses		7,411			
	c	Gain or (loss)	5,842,802	-7,411			
	d	Net gain or (loss) ▶		5,835,391			5,835,391
	8a	Gross income from fundraising events (not including $ 304,950 of contributions reported on line 1c). See Part IV, line 18 a	184,560				
	b	Less: direct expenses b	155,446				
	c	Net income or (loss) from fundraising events ▶		29,114			29,114
	9a	Gross income from gaming activities. See Part IV, line 19 a	28,955				
	b	Less: direct expenses b	31,319				
	c	Net income or (loss) from gaming activities ▶		-2,364			-2,364
	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 ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	PHARMACY SERVICES	446110	29,729,713			29,729,713
	b	CONTRACT SERVICES	900099	3,975,004			3,975,004
	c	OTHER MISC REVENUE	900099	1,626,206			1,626,206
	d	All other revenue		0	0	0	0
	e	**Total.** Add lines 11a–11d ▶		35,330,923			
	12	**Total revenue.** See instructions. ▶		870,048,815	816,555,342	963,575	47,753,042

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 governments and organizations in the United States. See Part IV, line 21	1,144,758	1,144,758		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	3,401,133	694,124	2,707,009	
7 Other salaries and wages	215,680,388	188,351,320	27,197,619	131,449
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,736,392	2,406,383	328,367	1,642
9 Other employee benefits	32,595,244	26,705,283	5,867,144	22,817
10 Payroll taxes	16,626,971	14,580,191	2,046,780	
11 Fees for services (non-employees):				
a Management	0			
b Legal	2,173,692		2,173,692	
c Accounting	0			
d Lobbying	360,812	0	360,812	0
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0	0	0	0
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	129,589,264	91,215,600	38,100,977	272,687
12 Advertising and promotion	-58,193		-58,193	
13 Office expenses	19,622,693	14,636,567	4,970,428	15,698
14 Information technology	34,539,133	1,827,120	32,712,013	
15 Royalties	0			
16 Occupancy	22,694,333	15,811,142	6,883,191	
17 Travel	339,851	225,627	110,520	3,704
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	51,878	34,442	16,871	565
20 Interest	19,371,942	19,371,942		
21 Payments to affiliates	22,340,100		22,340,100	
22 Depreciation, depletion, and amortization	34,643,534	26,162,797	8,480,737	
23 Insurance	5,961,323	4,572,931	1,388,392	
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 11g expenses on Schedule O.)				
a INTERCOMPANY ALLOCATIONS	40,146,829	40,146,829		
b BAD DEBTS	116,697,824	116,697,824		
c MEDICAL SUPPLIES	175,022,483	175,022,483		
d STATE PROVIDER TAX	13,674,298	13,674,298		
e All other expenses	13,880,470	14,067,235	0	(186,765)
25 **Total functional expenses.** Add lines 1 through 24e	923,237,152	767,348,896	155,626,459	261,797
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		12,735	1	9,440
	2	Savings and temporary cash investments		0	2	
	3	Pledges and grants receivable, net		5,574,551	3	6,924,949
	4	Accounts receivable, net		133,292,295	4	146,648,109
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	2,000
	8	Inventories for sale or use		16,102,705	8	15,444,528
	9	Prepaid expenses and deferred charges		9,961,692	9	2,746,474
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 525,213,839			
	b	Less: accumulated depreciation	10b 99,896,184	434,522,739	10c	425,317,655
	11	Investments—publicly traded securities		18,873,181	11	20,830,863
	12	Investments—other securities. See Part IV, line 11		147,304,494	12	118,695,133
	13	Investments—program-related. See Part IV, line 11		0	13	0
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		247,302,479	15	392,457,305
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,012,946,871	16	1,129,076,456
Liabilities	17	Accounts payable and accrued expenses		103,114,856	17	126,130,027
	18	Grants payable			18	
	19	Deferred revenue		1,184,426	19	10,414,892
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		69,240	23	2,281,248
	24	Unsecured notes and loans payable to unrelated third parties		0	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		456,002,735	25	589,738,656
	26	**Total liabilities.** Add lines 17 through 25		560,371,257	26	728,564,823
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		435,845,586	27	381,587,866
	28	Temporarily restricted net assets		9,078,382	28	9,997,652
	29	Permanently restricted net assets		7,651,646	29	8,926,115
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		452,575,614	33	400,511,633
	34	Total liabilities and net assets/fund balances		1,012,946,871	34	1,129,076,456

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	870,048,815
2	Total expenses (must equal Part IX, column (A), line 25)	2	923,237,152
3	Revenue less expenses. Subtract line 2 from line 1	3	-53,188,337
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	452,575,614
5	Net unrealized gains (losses) on investments	5	9,131,697
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	-8,007,341
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	400,511,633

Part XII Financial Statements and Reporting

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(26) MARK MILBURN	50				✓			186,885	0	18,906
VICE PRESIDENT	0									
(27) DEBORAH MOLNAR	50				✓			391,208	0	14,550
VICE PRESIDENT	0									
(28) JAMES PAROBEK	40				✓			315,420	0	22,222
SENIOR VICE PRESIDENT	0									
(29) SHELLEY SHAUGHNESSY	50				✓			344,411	0	19,697
VICE PRESIDENT	0									
(30) ROBERT SMITH	50				✓			286,823	34,650	20,996
FAMILY MEDICINE	0									
(31) RUTH WHEATLEY	50				✓			270,314	0	1,755
VICE PRESIDENT	0									
(32) CARLOTTA RINKE	50					✓		305,406	0	8,848
VICE PRESIDENT	0									
(33) JULIE MCGREGOR	50					✓		190,242	0	18,019
VICE PRESIDENT	0									
(34) ELAINE HAYES	40					✓		167,234	0	16,641
DIRECTOR-ACCOUNTING	0									
(35) BRADLEY LINCKS	50					✓		164,431	0	18,706
VICE PRESIDENT/CNO	0									
(36) KIMBERLY HITE	50					✓		149,986	0	11,502
VICE PRESIDENT/CNO	0									
(37) BRIAN DOHENY	50						✓	197,912	0	3,012
VICE PRESIDENT	0									
(38) RANDY NAPIER	50						✓	0	296,431	68,364
VICE PRESIDENT	0									
(39) JENNIFER NOLAN	50						✓	0	394,275	62,781
VICE PRESIDENT	0									
(40) CHRISTOPHER ROSZMAN	50						✓	238,733	0	19,926
VICE PRESIDENT	0									
(41) VAL SLAYTON	50						✓	329,383	0	9,244
VICE PRESIDENT	0									
(42) TAMMY HOWELL	50						✓	120,166	0	18,933
DIRECTOR ACCOUNTING	0									
(43) KIMBERLY ALUMBAUGH	50						✓	331,510	0	191
VICE PRESIDENT	0									
(44) JOHN JOHNSON	50						✓	120,597	0	6,678
VICE PRESIDENT	0									
(45) DAVID LAIRD	50						✓	621,743	0	11,792
VICE PRESIDENT	0									

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(46) JEFFREY POLSON	50						✓	166,376	0	6,476
VICE PRESIDENT	0									
(47) KATHLEEN WOOD	50						✓	0	174,186	7,270
VICE PRESIDENT	0									
(48) GARY ERMERS	0						✓	0	462,576	48,868
FORMER INTERIM CHIEF FINANCIAL OFFICER	0									

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

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 11, 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.)
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 organization that normally receives: (1) more than 33⅓% 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 33⅓% 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.)
10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h 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 or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									0

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 IV.)						
11 **Total support.** Add lines 7 through 10						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2013.** 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2012.** 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 IV.)						
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 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2013.** 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—2012.** 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 ▶ ☐

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	☑ 501(c)(3) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☐ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33⅓ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 36,633	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
2		$ 11,620	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
3		$ 139,400	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
4		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
5		$ 398,315	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
6		$ 17,798	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		$ 15,420	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
8		$ 130,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
9		$ 76,282	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
10		$ 5,482	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
11		$ 908,669	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
12		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13		$ 5,250	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
14		$ 6,637	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
15		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
16		$ 16,450	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
17		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
18		$ 7,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		$ 27,487	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
20		$ 8,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
21		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
22		$ 18,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
23		$ 15,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
24		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
26		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
27		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
28		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
29		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
30		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
32		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
33		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
34		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
35		$ 5,031	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
36		$ 5,160	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37		$ 5,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
38		$ 5,520	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
39		$ 6,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
40		$ 6,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
41		$ 8,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
42		$ 8,250	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43		$ 8,471	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
44		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
45		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
46		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
47		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
48		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
50		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
51		$ 10,155	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
52		$ 12,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
53		$ 12,625	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
54		$ 14,619	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
56		$ 16,538	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
57		$ 16,707	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
58		$ 20,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
59		$ 25,450	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
60		$ 30,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61		$ 30,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
62		$ 5,483	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
63		$ 36,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
64		$ 50,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
65		$ 80,348	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
66		$ 161,824	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67		$ 59,755	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
68		$ 655,175	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization: JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number: [redacted]

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ► $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

OMB No. 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes," to 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," to 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," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC	[redacted]

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(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 to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		✓	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	✓		
c Media advertisements?		✓	
d Mailings to members, legislators, or the public?		✓	
e Publications, or published or broadcast statements?		✓	
f Grants to other organizations for lobbying purposes?	✓		75,051
g Direct contact with legislators, their staffs, government officials, or a legislative body?	✓		285,761
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?		✓	
j Total. Add lines 1c through 1i			360,812
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
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, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

SEE NEXT PAGE

Part IV **Supplemental Information** Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE C, PART II-B, LINE 1	DESCRIPTION OF THE ACTIVITIES REPORTED ON LINES 1A THROUGH 1I	LINE 1F THE PORTION OF ORGANIZATION DUES THAT ARE RELATED TO LOBBYING ARE AS FOLLOWS: AMERICAN HOSPITAL ASSOCIATION $17,646 CATHOLIC HEALTH ASSOCIATION $6,097 KENTUCKY HOSPITAL ASSOCIATION $51,308 ALLOCATED SALARY OF EMPLOYEES INVOLVED WITH ADVOCACY EFFORTS: $89,408 PAYMENTS TO ORGANIZATIONS FOR LOBBYING ASSISTANCE: CULL & HAYDEN - $60,182; GRIZZLE COMPANY - $52,544; MCCARTHY STRATEGIC SOLUTIONS - $83,627.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to 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

2013

Open to Public Inspection

Name of the organization

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number

[redacted]

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate 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" to 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 Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

7 Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in 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 Revenues included in 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" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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" to 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	7,651,646	7,850,412	7,646,829	7,542,004	6,582,229
b Contributions	33,216	73,632	17,731	145,533	169,959
c Net investment earnings, gains, and losses	1,241,253	803,398	296,477	158,207	857,243
d Grants or scholarships		1,075,796	110,625	198,915	67,427
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	8,926,115	7,651,646	7,850,412	7,646,829	7,542,004

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 ▶ 89 %
c Temporarily restricted endowment ▶ 11 %

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

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

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

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

Part VI Land, Buildings, and Equipment.
Complete if the organization answered "Yes" to 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		59,027,131		59,027,131
b Buildings		296,722,947	37,731,349	258,991,598
c Leasehold improvements		9,086,237	1,861,333	7,224,904
d Equipment		130,874,520	59,108,423	71,766,097
e Other		29,503,004	1,195,079	28,307,925
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				425,317,655

Part VII Investments—Other Securities.
Complete if the organization answered "Yes" to 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) CHI OIP	112,176,318	END OF YEAR MARKET VALUE
(B) CHI OIP PERMANENTLY RESTRICTED	6,518,815	END OF YEAR MARKET VALUE
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	118,695,133	

Part VIII Investments—Program Related.
Complete if the organization answered "Yes" to 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" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER ASSETS	4,447,470
(2) INVESTMENT IN UNCONSOLIDATED ORGANIZATIONS	4,883,781
(3) INTERCOMPANY RECEIVABLES	383,126,054
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	**392,457,305**

Part X Other Liabilities.
Complete if the organization answered "Yes" to 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	
(2) PENSION PLAN LIABILITY	22,945,000
(3) INTERCOMPANY PAYABLES	564,376,787
(4) OTHER LIABILITIES	2,311,151
(5) MINORITY INTEREST	105,718
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	589,738,656

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" to 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 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" to 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.

SEE NEXT PAGE

Part XIII **Supplemental Information** Complete this part to 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	Identifier	Explanation
SCHEDULE D, PART V, LINE 4	INTENDED USES OF ENDOWMENT FUNDS	ENDOWED ASSETS ARE TO BE HELD IN PERPETUITY, THE INCOME FROM WHICH IS EXPENDABLE TO SUPPORT VARIOUS JHSMH PROGRAMS AS DESIGNATED BY THE DONOR. SIGNIFICANT PROGRAMS INCLUDE NURSING AND OTHER MEDICAL SCHOLARSHIPS AND RESEARCH PROGRAMS.
SCHEDULE D, PART X, LINE 2	FIN 48 (ASC 740) FOOTNOTE	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC.'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF KENTUCKYONE HEALTH, INC., A RELATED ORGANIZATION. KENTUCKYONE HEALTH INC.'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2014 READS AS FOLLOWS: "MOST OF THE INCOME RECEIVED BY THE SYSTEM AND CERTAIN AFFILIATES IS EXEMPT FROM TAXATION UNDER SECTION 501(A) OF THE IRC. SOME OF ITS SUBSIDIARIES ARE TAXABLE ENTITIES, AND SOME OF THE INCOME RECEIVED BY OTHERWISE EXEMPT ENTITIES, ARE SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME. THE SYSTEM FILES FEDERAL INCOME TAX RETURNS AS WELL AS INCOME TAX RETURNS IN KENTUCKY AND INDIANA. ASC 740, INCOME TAXES, CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANY'S FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. ASC 740 ALSO PROVIDES GUIDANCE ON DESCRIPTION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND TRANSITION. MANAGEMENT HAS DONE AN ANALYSIS AND DETERMINED THAT NO AMOUNT NEEDED TO BE RECORDED RELATED TO ASC 740 AT JUNE 30, 2014 AND 2013." JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC.'S FINANCIAL INFORMATION IS ALSO INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI). CHI'S FIN 48(ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2014, READS AS FOLLOWS: "CHI IS A TAX-EXEMPT COLORADO CORPORATION AND HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. CHI OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND THEREFORE SUBJECT TO INCOME TAX. MANAGEMENT REVIEWS ITS TAX POSITIONS ANNUALLY AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS."

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	0	0			0
b Total from continuation sheets to Part I	0	0			0
c **Totals** (add lines 3a and 3b)	0	0			0

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			SUB-SAHARAN AFRICA	OPERATIONAL SUPPORT			464,532	EQUIPMENT & SUPPLIES	BOOK
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ 1

3 Enter total number of other organizations or entities . . . . . ▶ 0

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	☐ Yes	☑ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☑ No

Part V **Supplemental Information** Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f)(accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Identifier	Explanation
SCHEDULE F, PART II, LINE 1	METHOD USED TO ACCOUNT FOR GRANTS ON ORG'S FINANCIAL STATEMENTS	SUB-SAHARAN AFRICA: ACCRUAL

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

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶					0	0	0

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 CIRCLE OF CARE (event type)	(b) Event #2 DOCTOR'S BALL (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	102,000	387,510		489,510
	2 Less: Contributions	69,800	235,150		304,950
	3 Gross income (line 1 minus line 2)	32,200	152,360	0	184,560
Direct Expenses	4 Cash prizes				0
	5 Noncash prizes				0
	6 Rent/facility costs				0
	7 Food and beverages		70,831		70,831
	8 Entertainment		1,500		1,500
	9 Other direct expenses	25,306	57,809		83,115
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				155,446
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				29,114

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue			28,955	28,955
Direct Expenses	2 Cash prizes				0
	3 Noncash prizes			31,319	31,319
	4 Rent/facility costs				0
	5 Other direct expenses				0
	6 Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				31,319
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				-2,364

9 Enter the state(s) in which the organization operates gaming activities: KY

a Is the organization licensed to operate gaming activities in each of these states? ☑ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☑ No

b If "Yes," explain:

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☑ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☑ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	100 %
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ JHSMH FOUNDATION

Address ▶ 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☑ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party:

Name ▶

Address ▶

16 Gaming manager information:

Name ▶ CAROL WADE

Gaming manager compensation ▶ $ _____

Description of services provided ▶ MANAGEMENT

☑ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☑ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 26,750

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Part IV **Supplemental Information** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions)

Return Reference	Identifier	Explanation	
		State	Mandatory distribution amount
SCHEDULE G, PART III, LINE 17B	DISTRIBUTIONS REQUIRED UNDER STATE LAW	KENTUCKY	26750

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	✓	
b	If "Yes," was it a written policy?	✓	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %		✓
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %		✓
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	✓	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	✓	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		✓
6a	Did the organization prepare a community benefit report during the tax year?	✓	
b	If "Yes," did the organization make it available to the public?	✓	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			19,867,720	4,090,713	15,777,007	1.96
b Medicaid (from Worksheet 3, column a)			72,258,221	53,781,332	18,476,889	2.29
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0.00
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	92,125,941	57,872,045	34,253,896	4.25
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	39	12,955	796,489	16,251	780,238	0.10
f Health professions education (from Worksheet 5)	6	919	375,134		375,134	0.05
g Subsidized health services (from Worksheet 6)					0	0.00
h Research (from Worksheet 7)					0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)	13	1,330	304,633	5,717	298,916	0.04
j **Total.** Other Benefits	58	15,204	1,476,256	21,968	1,454,288	0.19
k **Total.** Add lines 7d and 7j	58	15,204	93,602,197	57,894,013	35,708,184	4.44

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	4	7,655		7,655	0.00
2	Economic development					0	0.00
3	Community support	2	20	3,366		3,366	0.00
4	Environmental improvements					0	0.00
5	Leadership development and training for community members					0	0.00
6	Coalition building	2	635	17,100		17,100	0.00
7	Community health improvement advocacy	2	202	954		954	0.00
8	Workforce development					0	0.00
9	Other					0	0.00
10	**Total**	7	861	29,075	0	29,075	0.00

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
Section A. Bad Debt Expense				
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 116,697,824		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3 0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5 214,664,627		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 215,267,288		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -602,661		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☑ Other			
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?	9a	✓	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . .	9b	✓	

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	SCA PREM SURG. CTR.	MANAGEMENT SERVICES	51		49
2	SURGERY CTR. OF LOUI	MANAGEMENT SERVICES	51		49
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 5

Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 JEWISH HOSPITAL 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 WWW.KYONEHEALTH.ORG/JEWISHHOSPITAL	✓	✓		✓		✓	✓			A
2 FRAZIER REHABILITATION INSTITUE 220 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 WWW.KENTUCKYONEHEALTH.ORG/REHABILITATIONCAREFRAZIER	✓									A
3 STS. MARY & ELIZABETH HOSPITAL 1850 BLUEGRASS AVENUE LOUISVILLE, KY 40215 WWW.KENTUCKYONEHEALTH.ORG/ST-MARY-ST-ELIZABETH-HOSPITAL	✓	✓					✓			A
4 OUR LADY OF PEACE 2020 NEWBURG ROAD LOUISVILLE, KY 40205 WWW.KENTUCKYONEHEALTH.ORG/OURLADYOFPEACE	✓						✓			A
5 SHELBYVILLE HOSPITAL 727 HOSPITAL DRIVE SHELBYVILLE, KY 40065 WWW.KENTUCKYONEHEALTH.ORG/JEWISH-HOSPITAL-SHELBYVILLE	✓									A
6										
7										
8										
9										
10										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group A

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9.	1	✓	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a ☑ A definition of the community served by the hospital facility			
b ☑ Demographics of the community			
c ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☑ How data was obtained			
e ☑ The health needs of the community			
f ☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☑ The process for consulting with persons representing the community's interests			
i ☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Section C)			
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 1 2			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	✓	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4	✓	
5 Did the hospital facility make its CHNA report widely available to the public?	5	✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a ☑ Hospital facility's website (list url): SEE SUPPLEMENTAL			
b ☐ Other website (list url):			
c ☑ Available upon request from the hospital facility			
d ☐ Other (describe in Section C)			
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a ☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b ☑ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide plan			
d ☑ Participation in the execution of a community-wide plan			
e ☑ Inclusion of a community benefit section in operational plans			
f ☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☑ Prioritization of health needs in its community			
h ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Section C)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		✓
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		✓
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

			Yes	No
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	✓	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10		✓
	If "Yes," indicate the FPG family income limit for eligibility for free care: _ _ _ %			
	If "No," explain in Section C the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing *discounted* care?	11		✓
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %			
	If "No," explain in Section C the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	✓	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	☑ Income level			
b	☑ Asset level			
c	☑ Medical indigency			
d	☑ Insurance status			
e	☑ Uninsured discount			
f	☑ Medicaid/Medicare			
g	☑ State regulation			
h	☐ Residency			
i	☐ Other (describe in Section C)			
13	Explained the method for applying for financial assistance?	13	✓	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	✓	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	☑ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☑ The policy was posted in the hospital facility's admissions offices			
e	☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available on request			
g	☐ Other (describe in Section C)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	✓	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		✓
	If "Yes," check all actions in which the hospital facility or a third party engaged:			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	✓	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d ☐ Other (describe in Section C)

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

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

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☑ Other (describe in Section C)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	21		✓

If "Yes," explain in Section C.

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	22		✓

If "Yes," explain in Section C.

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

Return Reference	Identifier	Explanation
SCHEDULE H, PART V SEC B, LINE 3	COMMUNITY SERVED BY NEEDS ASSESSMENT	**(1) FACILITY REPORTING GROUP A EXPLANATION** JEWISH HOSPITAL, FRAZIER REHAB INSTITUTE, STS. MARY & ELIZABETH HOSPITAL & OUR LADY OF PEACE: FOUR COMMUNITY FORUMS WERE HELD IN MARCH 2012 AT SITES IN EACH QUADRANT OF JEFFERSON COUNTY. MEMBERS OF THE GENERAL PUBLIC WERE ASKED TO COMPLETE A SURVEY ON THEIR PERCEPTIONS OF THE CITY'S HEALTH CARE NEEDS. THE SURVEY WAS AVAILABLE IN ENGLISH AND SPANISH AND COVERED A BROAD RANGE OF TOPICS FROM ACCESS TO HEALTH CARE TO PERCEPTION ABOUT THE MOST PRESSING HEALTH CARE NEEDS. AFTER THE FORUMS, THE SAME SURVEY WAS MADE AVAILABLE ONLINE AT THE LMDPHW WEBSITE FROM MARCH 18 TO JUNE 1, AGAIN BOTH IN ENGLISH AND SPANISH. A TOTAL OF 1,871 INDIVIDUALS COMPLETED THE SURVEY WITH DEMOGRAPHICS THAT CLOSELY CORRESPOND TO THAT OF JEFFERSON COUNTY: 80 PERCENT OF RESPONDENTS WERE WHITE, 16 PERCENT WERE AFRICAN-AMERICAN AND THE REMAINDER WERE ASIAN, NATIVE HAWAIIAN, PACIFIC ISLANDER AND AMERICAN INDIAN, ALASKAN NATIVE OR OTHER. THREE PERCENT WERE AGES 18-24, 18 PERCENT WERE 25-34, 22 PERCENT WERE 35-44, 28 PERCENT WERE 45-54, 24 PERCENT WERE 55-64 AND 5 PERCENT WERE AGE 65 OR OLDER. RESPONDENTS CAME FROM EACH OF THE CITY'S ZIP CODES, WITH MOST RESPONSES FROM SOUTHWEST LOUISVILLE. A FIFTH FORUM WAS CONDUCTED BY LMDPHW DIRECTOR DR. LAQUANDRA NESBITT ON MARCH 29, 2012 AT THE GREATER LOUISVILLE MEDICAL SOCIETY TAILORED TO GATHER INPUT FROM COMMUNITY LEADERS, PHYSICIANS AND OTHER HEALTH PROFESSIONALS. IT WAS ATTENDED BY 40 INDIVIDUALS REPRESENTING A WIDE ARRAY OF EXPERTISE INCLUDING BILL WAGNER, EXECUTIVE DIRECTOR OF THE FAMILY HEALTH CENTERS, INC., JAY DAVIDSON, EXECUTIVE DIRECTOR OF THE HEALING PLACE, AND LEADERS FROM AN ARRAY OF HEALTH AND HUMAN SERVICE AGENCIES THAT SERVE LOW-INCOME AND MINORITY POPULATIONS. SHELBYVILLE HOSPITAL: JEWISH HOSPITAL SHELBYVILLE COLLABORATED WITH THE NORTH CENTRAL DISTRICT HEALTH DEPARTMENT, BAPTIST HOSPITAL NORTHEAST AND OTHER COMMUNITY LEADERS TO CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT. MEMBERS OF THE GENERAL PUBLIC WERE ASKED TO COMPLETE A SURVEY ON THEIR PERCEPTIONS OF THE COMMUNITY'S HEALTH CARE NEEDS. THE SURVEY WAS AVAILABLE IN ENGLISH AND SPANISH AND COVERED A BROAD RANGE OF TOPICS FROM ACCESS TO HEALTH CARE TO PERCEPTION ABOUT THE MOST PRESSING HEALTH CARE NEEDS. OVER 2,000 SURVEYS WERE COMPLETED. THE SURVEYS WERE DISTRIBUTED ONLINE AND THROUGH PAPER SURVEYS, MADE AVAILABLE IN BOTH ENGLISH AND SPANISH. A FORUM WAS CONDUCTED BY NCDHD ON AUGUST 23, 2012, TAILORED TO GATHER INPUT FROM COMMUNITY LEADERS AND HEALTH PROFESSIONALS. IT WAS ATTENDED BY 30 INDIVIDUALS REPRESENTING A WIDE ARRAY OF EXPERTISE.
SCHEDULE H, PART V SEC B, LINE 4	OTHER HOSPITAL FACILITIES INCLUDED IN NEEDS ASSESSMENT	**(1) FACILITY REPORTING GROUP A EXPLANATION** JEWISH HOSPITAL, FRAZIER REHAB INSTITUTE, STS. MARY & ELIZABETH HOSPITAL & OUR LADY OF PEACE: BAPTIST HOSPITAL EAST NORTON HEALTHCARE UNIVERSITY OF LOUISVILLE HOSPITAL SHELBYVILLE HOSPITAL: BAPTIST HOSPITAL NORTHEAST
SCHEDULE H, PART V SEC B, LINE 5A	HOSPITAL FACILITY'S WEBSITE (LIST URL)	**(1) JEWISH HOSPITAL EXPLANATION** WWW.KENTUCKYONEHEALTH.ORG/COMMUNITY-HEALTH-NEEDS-ASSESSMENT
SCHEDULE H, PART V SEC B, LINE 7	NEEDS NOT ADDRESSED IN NEEDS ASSESSMENT	**(1) FACILITY REPORTING GROUP A EXPLANATION** JEWISH HOSPITAL --- MENTAL OR EMOTIONAL HEALTH, ADDICTION/SUBSTANCE ABUSE AND EXCESSIVE DRINKING: JEWISH HOSPITAL HAS ADOPTED NUMEROUS STRATEGIES IN THIS PLAN TO INTEGRATE MENTAL HEALTH AND SUBSTANCE USE DISORDERS WITH PHYSICAL HEALTH. WITHIN KENTUCKYONE HEALTH, THE PRIMARY RESOURCE FOR THIS AREA OF FOCUS IS OUR LADY OF PEACE WHICH HAS DEVELOPED AN IMPLEMENTATION PLAN TO ADDRESS THESE NEEDS COMPREHENSIVELY. IN ADDITION, SEVEN COUNTIES SERVICES, THE AREA'S COMMUNITY MENTAL HEALTH SERVICE, HAS THE EXPERTISE AND RESOURCES TO FOCUS IN THESE AREAS. FRAZIER REHAB INSITUTE: --- CHRONIC LOWER RESPIRATORY DISEASE INCREASED HEART DISEASE/STROKE AMONG AFRICAN AMERICANS:

Return Reference	Identifier	Explanation
		WHILE THIS PLAN DOES INCLUDE SOME INITIATIVES THAT ADDRESS COPD AND HEART DISEASE, THERE ARE MANY OTHER AREA ORGANIZATIONS PROVIDING RESOURCES TO SUPPORT EDUCATION, SUPPORT AND TREATMENT IN THIS AREA OF THESE ILLNESSES. THE MAYOR'S HEALTHY HOMETOWN MOVEMENT HAS MADE SMOKING CESSATION A PILLAR PRIORITY AND IS OFFERING FREE CLASSES AT LOCATIONS THROUGHOUT THE COMMUNITY YEAR-ROUND. IN ADDITION, THERE ARE NUMEROUS COMMUNITY SUPPORT GROUPS FOR PEOPLE WITH HEART DISEASE AND COPD AT MANY HOSPITALS AND OTHER FREE RESOURCES OFFERED THROUGH THE LOCAL CHAPTER OF THE AMERICAN HEART ASSOCIATION AND AMERICAN LUNG ASSOCIATION. CANCER: AS A REHABILITATION HOSPITAL, CANCER CARE IS NOT A PRIMARY AREA OF EMPHASIS OR EXPERTISE OF FRAZIER REHAB INSTITUTE. THERE ARE MANY PROVIDERS IN THE COMMUNITY ALREADY EFFECTIVELY ADDRESSING COMPREHENSIVE CANCER CARE INCLUDING THE JAMES GRAHAM BROWN CANCER CENTER, JEWISH HOSPITAL, AND NORTON HEALTHCARE. STS. MARY & ELIZABETH HOSPITAL --- MENTAL OR EMOTIONAL HEALTH ADDICTION/SUBSTANCE ABUSE: STS. MARY & ELIZABETH HOSPITAL HAS ADOPTED NUMEROUS STRATEGIES IN THIS PLAN TO INTEGRATE MENTAL HEALTH AND SUBSTANCE USE DISORDERS WITH PHYSICAL HEALTH. WITHIN KENTUCKYONE HEALTH, THE PRIMARY RESOURCE FOR THIS AREA OF FOCUS IS OUR LADY OF PEACE WHICH HAS DEVELOPED AN IMPLEMENTATION PLAN TO ADDRESS THESE NEEDS COMPREHENSIVELY. IN ADDITION, SEVEN COUNTIES SERVICES, THE AREA'S COMMUNITY MENTAL HEALTH SERVICE, HAS THE EXPERTISE AND RESOURCES TO FOCUS IN THESE AREAS. OUR LADY OF PEACE --- COST OF MEDICATION: THERE ARE NUMEROUS COMMUNITY RESOURCES FOR FREE AND REDUCED-PRICE PRESCRIPTIONS WHICH ARE COMMUNICATED TO PATIENTS THROUGH CARE MANAGEMENT STAFF. THESE INCLUDE: - MEIJER PHARMACY COVERS LEADING, ORAL GENERIC ANTIBIOTICS WITH A SPECIAL FOCUS ON THE PRESCRIPTIONS MOST OFTEN FILLED FOR CHILDREN. - $4 PRESCRIPTIONS AT WALMART, TARGET AND KROGER - KENTUCKY PRESCRIPTION ASSISTANCE PROGRAM (KPAP) 1-800-633-8100 WHICH PROVIDES PUBLIC ACCESS TO PRESCRIPTION DRUG PROGRAMS OFFERED BY DRUG MANUFACTURERS, DISCOUNT DRUG PROGRAMS AND DISCOUNT PHARMACY PROGRAMS FOR QUALIFYING INDIVIDUALS AND/OR FAMILIES (INDIVIDUALS AT OR BELOW THE FEDERAL POVERTY LEVEL OR SENIOR CITIZENS IN THE MEDICARE DOUGHNUT HOLE MAY BE ELIGIBLE.) THOSE INELIGIBLE RECEIVE CONSULTATION ABOUT OTHER SOURCES OF LOW-COST PRESCRIPTIONS. - FAMILY HEALTH CENTERS AND PUBLIC HEALTH CENTERS - KENTUCKY PHYSICIANS CARE (KPC) 1-800-633-8100 - MEDICARE D DRUG PLAN – 1-800-633-4227 - SENIOR MEDICAL PATROL – 502-574-6960 (ASSIST WITH MEDICARE D) STROKE: EXTENSIVE STROKE SCREENING, TREATMENT, AND SUPPORT ARE PROVIDED BY MANY AREA HEALTH CARE PROVIDERS INCLUDING JEWISH HOSPITAL AND UNIVERSITY OF LOUISVILLE HOSPITAL RESPIRATORY ILLNESS: THERE ARE MANY OTHER AREA ORGANIZATIONS PROVIDING RESOURCES TO SUPPORT EDUCATION, SUPPORT AND TREATMENT IN THE AREA OF RESPIRATORY ILLNESS. THE MAYOR'S HEALTHY HOMETOWN MOVEMENT HAS MADE SMOKING CESSATION A PILLAR PRIORITY AND IS OFFERING FREE CLASSES AT LOCATIONS THROUGHOUT THE COMMUNITY YEAR-ROUND. THE HEALTH DEPARTMENT IS ALSO SPEARHEADING EXTENSIVE RESEARCH ON ASTHMA, TO INCLUDE A PROJECT CALLED "ASTHMAOLOGY" WHICH IS DOCUMENTING WHERE CHILDREN ARE EXPERIENCING ASTHMA ATTACKS. IN ADDITION, THERE ARE NUMEROUS COMMUNITY SUPPORT GROUPS FOR PEOPLE WITH COPD AT MANY HOSPITALS AND OTHER FREE RESOURCES OFFERED THROUGH THE LOCAL CHAPTER OF THE AMERICAN LUNG ASSOCIATION. SHELBYVILLE HOSPITAL --- MENTAL OR EMOTIONAL HEALTH ADDICTION/SUBSTANCE ABUSE: JEWISH HOSPITAL SHELBYVILLE HAS ADOPTED NUMEROUS STRATEGIES IN THIS PLAN TO INTEGRATE MENTAL HEALTH AND SUBSTANCE USE DISORDERS WITH PHYSICAL HEALTH. WITHIN KENTUCKYONE HEALTH, THE PRIMARY RESOURCE FOR THIS AREA OF FOCUS IS OUR LADY OF PEACE WHICH HAS DEVELOPED AN IMPLEMENTATION PLAN TO ADDRESS THESE NEEDS COMPREHENSIVELY. IN ADDITION, SEVEN COUNTIES SERVICES, THE AREA'S COMMUNITY MENTAL HEALTH SERVICE, HAS THE EXPERTISE AND RESOURCES TO FOCUS IN THESE AREAS.

Return Reference	Identifier	Explanation
SCHEDULE H, PART V SEC B, LINE 10	USED FEDERAL POVERTY GUIDELINES (FPG) TO DETERMINE ELIGIBILITY	(1) FACILITY REPORTING GROUP A EXPLANATION HUD LOW INCOME GUIDELINES USED
SCHEDULE H, PART V SEC B, LINE 11	ELIGIBILITY FOR DISCOUNTED CARE	(1) FACILITY REPORTING GROUP A EXPLANATION HUD LOW INCOME GUIDELINES USED

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 31

Name and address	Type of Facility (describe)
1 JEWISH HOSPITAL MEDICAL CENTER EAST 3920 DUTCHMANS LANE LOUISVILLE, KY 40207	AMBULATORY CARE CENTER EMERGENCY ROOM
2 OUTPATIENT CARE CENTER 225 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202	AMBULATORY CARE CENTER DOCTOR OFFICES
3 JEWISH HOSPITAL MEDICAL CENTER SOUTH 1903 WEST HEBRON LANE SHEPHERDSVILLE, KY 40165	AMBULATORY CARE CENTER EMERGENCY ROOM
4 SOUTHWEST AMBULATORY CARE CENTER 9700 STONESTREET ROAD LOUISVILLE, KY 40272	DIAGNOSTIC IMAGING AMBULATORY CARE EMERGENCY ROOM
5 VNA NAZARETH HOME CARE 5000 COMMERCE CROSSING DR STE 100A LOUISVILLE, KY 40229	HOME INFUSION
6 JEWISH HOSPITAL NORTHEAST 2401 TERRA CROSSING BLVD LOUISVILLE, KY 40245	AMBULATORY CARE CENTER EMERGENCY ROOM
7 ST MARYS SURGICAL CENTER 4414 CHURCHMAN AVENUE LOUISVILLE, KY 40215	OUTPATIENT SURGERY
8 EAST CORF OUTPATIENT REHAB 4912 US HIGHWAY 42 LOUISVILLE, KY 40222	OUTPATIENT REHAB FACILITY
9 ST MARYS & ELIZABETH HOSPITAL 4402 CHURCHMAN AVE STE 106 LOUISVILLE, KY 40215	OUTPATIENT REHAB FACILITY
10 CROSSROADS SOUTH 4606 HAZELWOOD AVE LOUISVILLE, KY 40215	MENTAL HEALTH COUNSELING CTR

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 31

Name and address	Type of Facility (describe)
1 MEDICAL CENTER EAST ORF - OUTPTNT REHAB 3920 DUTCHMANS LANE LOUISVILLE, KY 40207	OUTPATIENT REHAB FACILITY
2 SOUTHWEST ORF - OUTPATIENT REHAB 6801 DIXIE HIGHWAY STE 129 LOUISVILLE, KY 40258	OUTPATIENT REHAB FACILITY
3 BULLITT COUNTY ORF - OUTPATIENT REHAB 1905 WEST HEBRON LANE SHEPHARDSVILLE, KY 40165	OUTPATIENT REHAB FACILITY
4 JEWISH HOSPITAL HEALTH CENTER - MEADE CO 534 FAIRWAY DRIVE BRADENBURG, KY 40108	DOCTOR OFFICE
5 U OF L SPORT MEDICINE - OUPATIENT REHAB 201 ABRAHAM FLEXNER WAY STE 102 LOUISVILLE, KY 40202	OUPATIENT REHAB FACILITY
6 STONESTREET ORF - OUPATIENT REHAB 9700 STONESTREET ROAD LOUISVILLE, KY 40272	OUTPATIENT REHAB FACILITY
7 OWSLEY BROWN FRAZIER SPORTS MEDICINE 215 CENTRAL AVENUE STE 200 LOUISVILLE, KY 40208	OUTPATIENT REHAB FACILITY
8 NEWBURG CORF - OUTPATIENT REHAB 3430 NEWBURG ROAD STE 111 LOUISVILLE, KY 40218	OUTPATIENT REHAB FACILITY
9 FERN VALLEY ORF AND OPS MEDICINE CENTER 100 HIGH RISE DRIVE STE 110 LOUISVILLE , KY 40213	OUTPATIENT REHAB FACILITY
10 NORTHEAST OUTPATIENT REHAB 2401 TERRA CROSSING BLVD STE 204 LOUISVILLE, KY 40245	OUTPATIENT REHAB FACILITY

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 31

Name and address	Type of Facility (describe)
1 SPRINGHURST CORF - OUTPATIENT REHAB 4801 OLYMPIA PARK PLAZA #1600 LOUISVILLE, KY 40241	OUTPATIENT REHAB FACILITY
2 SOUTHERN INDIANA YMCA CORF 4812 HAMBURG PIKE JEFFERSONVILLE, IN 47130	OUTPATIENT REHAB FACILITY
3 CORYDON CORF - OUTPATIENT REHAB 313 FEDERAL DRIVE NORTHWEST CORYDON, KY 47112	OUTPATIENT REHAB FACILITY
4 SOUTHERN INDIANA ORF - OUTPATIENT REHAB 2201 GREENTREE BOULEVARD NORTH CLARKSVILLE, IN 47129	OUPATIENT REHAB FACILITY
5 MEADE COUNTY ORF - OUTPATIENT REHAB 534 HILLCREST DRIVE BRANDBURG, KY 40108	OUTPATIENT REHAB FACILITY
6 MEDICAL PLAZA - DOCTORS OFFICE BUILDING 100 EAST LIBERTY STREET LOUISVILLE, KY 40202	DOCTOR OFFICES
7 MRI BUILDING 221 EAST CHESTNUT LOUISVILLE, KY 40202	MRI CENTER
8 RUDD HEART AND LUNG CENTER 201 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202	DOCTOR OFFICES/SUITES CATH LAB
9 OPEN MRI & PT SCAN (SKYCARE) 200 EAST LIBERTY STREET LOUISVILLE, KY 40202	MRI CENTER MOBILE PET
10 MEDICAL PLAZA II 250 E. LIBERTY ST. LOUISVILLE, KY 40202	DOCTORS OFFICES; CORPORATE OFFICES

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 31

Name and address	Type of Facility (describe)
1 CANCER BLOOD SPECIALIST 1460 BLUEGRASS AVE LOUISVILLE, KY 40215	OUTPATIENT CANCER CARE
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Part VI Supplemental Information

Complete this part to provide the following information.

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

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

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

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

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

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

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

Return Reference	Identifier	Explanation
SCHEDULE H, PART I, LINE 3C	ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CARE	WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO JEWISH HOSPITAL & ST. MARY'S HEALTHCARE) ESTABLISHED ITS FINANCIAL ASSISTANCE POLICY IT WAS DETERMINED THAT ESTABLISHING A HOUSEHOLD INCOME SCALE BASED ON THE HUD VERY LOW INCOME GUIDELINES MORE ACCURATELY REFLECTS THE SOCIOECONOMIC DISPERSIONS AMONG URBAN AND RURAL COMMUNITIES IN 18 STATES SERVED BY CHI HOSPITALS AND HEALTH CARE FACILITIES. IN COMPARING HUD GUIDELINES TO THE FEDERAL POVERTY GUIDELINES ("FPG"), WE FIND THAT ON AVERAGE HUD GUIDELINES COMPUTE TO APPROXIMATELY 200% TO 250% (AND SOMETIMES 300%) OF FPG. JEWISH HOSPITAL & ST. MARY'S HEALTHCARE BASES ITS FINANCIAL ASSISTANCE ELIGIBILITY ON HUD'S 130% OF VERY LOW INCOME GUIDELINES BASED ON GEOGRAPHY, AND AFFORDS THE UNINSURED AND UNDERINSURED THE ABILITY TO OBTAIN FINANCIAL ASSISTANCE WRITE-OFFS, BASED ON A SLIDING SCALE, RANGING FROM 25%-100% OF CHARGES. AN INDIVIDUAL'S INCOME UNDER THE HUD GUIDELINES IS A SIGNIFICANT FACTOR IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE. HOWEVER, IN DETERMINING WHETHER TO EXTEND DISCOUNTED OR FREE CARE TO A PATIENT, THE PATIENT'S ASSETS MAY ALSO BE TAKEN INTO CONSIDERATION. FOR EXAMPLE, A PATIENT SUFFERING A CATASTROPHIC ILLNESS MAY HAVE A REASONABLE LEVEL OF INCOME, BUT A LOW LEVEL OF LIQUID ASSETS SUCH THAT THE PAYMENT OF MEDICAL BILLS WOULD BE SERIOUSLY DETRIMENTAL TO THE PATIENT'S BASIC FINANCIAL (AND ULTIMATELY PHYSICAL) WELL-BEING AND SURVIVAL. SUCH A PATIENT MAY BE EXTENDED DISCOUNTED OR FREE CARE BASED UPON THE FACTS AND CIRCUMSTANCES.
SCHEDULE H, PART I, LINE 6A	COMMUNITY BENEFIT REPORT PREPARED BY RELATED ORGANIZATION	KENTUCKYONE HEALTH, INC.
SCHEDULE H, PART I, LINE 6A	COMMUNITY BENEFIT REPORT	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC. DOES NOT PREPARE ITS OWN ANNUAL WRITTEN COMMUNITY BENEFIT REPORT. HOWEVER, ITS COMMUNITY BENEFIT REPORT IS CONTAINED IN THE REPORT OF A RELATED ORGANIZATION; KENTUCKYONE HEALTH, INC., EIN: 61-1029769.
SCHEDULE H, PART I, LINE 7	COSTING METHODOLOGY USED TO CALCULATE FINANCIAL ASSISTANCE	THE COST-TO-CHARGE RATIO FOR THE YEAR ENDED 6/30/14 WAS COMPUTED USING THE FOLLOWING FORMULA: OPERATING EXPENSE (BEFORE RESTRUCTURING, IMPAIRMENT AND OTHER LOSSES) DIVIDED BY GROSS PATIENT REVENUE. BASED ON THAT FORMULA, $644,834,531/$2,796,744,568 RESULTS IN A 23.06% COST-TO-CHARGE RATIO. WORKSHEET 2 WAS NOT USED TO DERIVE THE COST-TO-CHARGE RATIO.
SCHEDULE H, PART I, LINE 7, COL(F)	BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	116,697,824
SCHEDULE H, PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES	THERE ARE NO PHYSICIAN CLINICS INCLUDED IN SUBSIDIZED HEALTH SERVICES.
SCHEDULE H, PART III, LINE 2	BAD DEBT EXPENSE - METHODOLOGY USED TO ESTIMATE AMOUNT	COSTING METHODOLOGY FOR AMOUNTS REPORTED ON LINE 2 IS DETERMINED USING THE ORGANIZATION'S COST/CHARGE RATIO OF 23.06%. WHEN DISCOUNTS ARE EXTENDED TO SELF-PAY PATIENTS, THESE PATIENT ACCOUNT DISCOUNTS ARE RECORDED AS A REDUCTION IN REVENUE, NOT AS BAD DEBT EXPENSE.
SCHEDULE H, PART III, LINE 3	BAD DEBT EXPENSE METHODOLOGY	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE DOES NOT BELIEVE THAT ANY PORTION OF BAD DEBT EXPENSE COULD REASONABLY BE ATTRIBUTED TO PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE SINCE AMOUNTS DUE FROM THOSE INDIVIDUALS' ACCOUNTS WILL BE RECLASSIFIED FROM BAD DEBT EXPENSE TO CHARITY CARE WITHIN 30 DAYS FOLLOWING THE DATE THAT THE PATIENT IS DETERMINED TO QUALIFY FOR CHARITY CARE.
SCHEDULE H, PART III, LINE 4	BAD DEBT EXPENSE - FINANCIAL STATEMENT FOOTNOTE	JEWISH HOSPITAL & ST. MARY'S HEALTHCARE INC. DOES NOT ISSUE SEPARATE COMPANY AUDITED FINANCIAL STATEMENTS. HOWEVER, THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF KENTUCKYONE HEALTH. THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS:

Return Reference	Identifier	Explanation
		"PATIENT RECEIVABLES AND NET PATIENT SERVICE REVENUE ARE DERIVED PRIMARILY FROM PATIENTS WHO RESIDE IN KENTUCKY AND SOUTHERN INDIANA. PATIENT RECEIVABLES CONSIST OF AMOUNTS DUE FROM INDIVIDUAL PATIENTS AND THIRD-PARTY PAYORS, INCLUDING FEDERAL AND STATE PROGRAMS AND COMMERCIAL INSURANCE COMPANIES FOR HEALTH CARE SERVICES RENDERED. MANAGEMENT MAINTAINS AN ALLOWANCE FOR DOUBTFUL ACCOUNTS TO RESERVE FOR ESTIMATED LOSSES BASED ON THE LENGTH OF TIME THE ACCOUNT HAS BEEN PAST DUE AND HISTORICAL COLLECTION EXPERIENCE." THE ORGANIZATION IS ALSO INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI). THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS: "THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, TAKING INTO CONSIDERATION HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS. MANAGEMENT ROUTINELY ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY. THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE. AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, CHI FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH FACILITY. THE PROVISION FOR BAD DEBTS IS PRESENTED ON THE CONSOLIDATED STATEMENTS OF OPERATIONS AS A DEDUCTION FROM PATIENT SERVICES REVENUES (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS) SINCE CHI ACCEPTS AND TREATS SUBSTANTIALLY ALL PATIENTS WITHOUT REGARD TO THE ABILITY TO PAY."
SCHEDULE H, PART III, LINE 8	COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTS	USING ESSENTIALLY THE SAME MEDICARE COST REPORT PRINCIPLES AS TO THE ALLOCATION OF GENERAL SERVICES COSTS AND "APPORTIONMENT" METHODS, THE "CHI WORKBOOK" CALCULATES A PAYERS' GROSS ALLOWABLE COSTS BY SERVICE (SO AS TO FACILITATE A CORRESPONDING COMPARISON BETWEEN GROSS ALLOWABLE COSTS AND ULTIMATE PAYMENTS RECEIVED). THE TERM "GROSS ALLOWABLE COSTS" MEANS COSTS BEFORE ANY DEDUCTIBLES OR CO-INSURANCE ARE SUBTRACTED. JEWISH HOSPITAL & ST. MARY'S INC.'S ULTIMATE REIMBURSEMENT WILL BE REDUCED BY ANY APPLICABLE COPAYMENT/ DEDUCTIBLE. WHERE MEDICARE IS THE SECONDARY INSURER, AMOUNTS DUE FROM THE INSURED'S PRIMARY PAYER WERE NOT SUBTRACTED FROM MEDICARE ALLOWABLE COSTS BECAUSE THE AMOUNTS ARE TYPICALLY IMMATERIAL. ALTHOUGH NOT PRESENTED ON THE MEDICARE COST REPORT, IN ORDER TO FACILITATE A MORE ACCURATE UNDERSTANDING OF THE "TRUE" COST OF SERVICES (FOR "SHORTFALL" PURPOSES) THE CHI WORKBOOK ALLOWS A HEALTH CARE FACILITY NOT TO OFFSET COSTS THAT MEDICARE CONSIDERS TO BE NON-ALLOWABLE, BUT FOR WHICH THE FACILITY CAN LEGITIMATELY ARGUE ARE RELATED TO THE CARE OF THE FACILITY'S PATIENTS. IN ADDITION, ALTHOUGH NOT REPORTABLE ON THE MEDICARE COST REPORT, THE CHI WORKBOOK INCLUDES THE COST OF SERVICES THAT ARE PAID VIA A SET FEE-SCHEDULE RATHER THAN BEING REIMBURSED BASED ON COSTS (E.G. OUTPATIENT CLINICAL LABORATORY). FINALLY, THE CHI WORKBOOK ALLOWS A FACILITY TO INCLUDE OTHER HEALTH CARE SERVICES PERFORMED BY A SEPARATE FACILITY (SUCH AS A PHYSICIAN PRACTICE) THAT ARE MAINTAINED ON SEPARATE BOOKS AND RECORDS (AS OPPOSED TO THE MAIN FACILITY'S BOOKS AND RECORDS WHICH HAS ITS COSTS OF SERVICE INCLUDED WITHIN A COST REPORT). TRUE COSTS OF MEDICARE COMPUTED USING THIS METHODOLOGY: TOTAL MEDICARE REVENUE: $214,664,627 TOTAL MEDICARE COSTS: $215,267,288 SURPLUS OR (SHORTFALL) $ (602,661) JEWISH HOSPITAL & ST. MARY'S INC. BELIEVES THAT EXCLUDING MEDICARE LOSSES FROM COMMUNITY BENEFIT MAKES THE OVERALL COMMUNITY BENEFIT REPORT MORE CREDIBLE FOR THESE REASONS: UNLIKE SUBSIDIZED AREAS SUCH AS BURN UNITS OR BEHAVIORAL-HEALTH SERVICES, MEDICARE IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTH CARE ORGANIZATIONS. IN FACT, FOR-PROFIT HOSPITALS FOCUS ON ATTRACTING PATIENTS WITH MEDICARE COVERAGE, ESPECIALLY IN THE CASE OF WELL-PAID SERVICES THAT INCLUDE CARDIAC AND ORTHOPEDICS. SIGNIFICANT EFFORT AND RESOURCES ARE DEVOTED TO ENSURING THAT HOSPITALS ARE REIMBURSED APPROPRIATELY BY THE MEDICARE PROGRAM. THE MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC), AN INDEPENDENT CONGRESSIONAL AGENCY, CAREFULLY STUDIES MEDICARE PAYMENT AND THE ACCESS TO CARE THAT MEDICARE BENEFICIARIES RECEIVE. THE COMMISSION RECOMMENDS PAYMENT ADJUSTMENTS TO CONGRESS ACCORDINGLY. THOUGH MEDICARE LOSSES ARE NOT INCLUDED BY CATHOLIC HOSPITALS AS COMMUNITY BENEFIT, THE CATHOLIC HEALTH ASSOCIATION GUIDELINES ALLOW HOSPITALS TO COUNT AS COMMUNITY BENEFIT SOME PROGRAMS THAT SPECIFICALLY SERVE THE MEDICARE POPULATION. FOR INSTANCE, IF HOSPITALS OPERATE PROGRAMS FOR PATIENTS WITH MEDICARE BENEFITS THAT RESPOND TO IDENTIFIED COMMUNITY NEEDS, GENERATE LOSSES FOR THE HOSPITAL, AND MEET OTHER CRITERIA, THESE PROGRAMS CAN BE INCLUDED IN THE CHA FRAMEWORK IN CATEGORY C AS "SUBSIDIZED HEALTH SERVICES." MEDICARE LOSSES ARE DIFFERENT FROM MEDICAID LOSSES, WHICH ARE COUNTED IN THE CHA COMMUNITY BENEFIT FRAMEWORK, BECAUSE MEDICAID REIMBURSEMENTS GENERALLY DO NOT RECEIVE THE LEVEL OF ATTENTION PAID TO MEDICARE REIMBURSEMENT. MEDICAID PAYMENT IS LARGELY DRIVEN BY WHAT STATES CAN AFFORD TO PAY, AND IS TYPICALLY SUBSTANTIALLY LESS THAN WHAT MEDICARE PAYS.
SCHEDULE H,	COLLECTION PRACTICES FOR	JEWISH HOSPITAL & ST. MARY'S INC.'S DEBT COLLECTION POLICY PROVIDES THAT JEWISH HOSPITAL & ST. MARY'S INC. WILL PERFORM A REASONABLE REVIEW OF EACH INPATIENT

Return Reference	Identifier	Explanation
PART III, LINE 9B	PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE	ACCOUNT PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT, TO ASSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (E.G. MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH JEWISH HOSPITAL & ST. MARY'S INC. COMMUNITY ASSISTANCE POLICY. AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY PATIENT ACCOUNT THAT IS SUBSEQUENTLY DETERMINED TO MEET THE JEWISH HOSPITAL & ST. MARY'S INC. COMMUNITY ASSISTANCE POLICY IS REQUIRED TO BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT TO JEWISH HOSPITAL & ST. MARY'S INC. FOR APPROPRIATE FOLLOW-UP. JEWISH HOSPITAL & ST. MARY'S INC. REQUIRES ITS THIRD-PARTY COLLECTION AGENTS TO INCLUDE A MESSAGE ON ALL STATEMENTS INDICATING THAT IF A PATIENT OR PATIENT GUARANTOR MEETS CERTAIN STIPULATED INCOME REQUIREMENTS, THE PATIENT OR PATIENT GUARANTOR MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE. ALL OF CATHOLIC HEALTH INITIATIVES' HOSPITALS' CONTRACTS WITH THIRD PARTY COLLECTION AGENCIES INCLUDE THE FOLLOWING STANDARDS: •NEITHER CHI HOSPITALS NOR THEIR COLLECTION AGENCIES WILL REQUEST BENCH OR ARREST WARRANTS AS A RESULT OF NON-PAYMENT; •NEITHER CHI HOSPITALS NOR THEIR COLLECTION AGENCIES WILL SEEK LIENS THAT WOULD REQUIRE THE SALE OR FORECLOSURE OF A PRIMARY RESIDENCE; AND •NO CATHOLIC HEALTH INITIATIVES' COLLECTION AGENCY MAY SEEK COURT ACTION WITHOUT HOSPITAL APPROVAL. FINALLY, COLLECTION AGENCIES ARE TRAINED ON THE CATHOLIC HEALTH INITIATIVES MISSION, CORE VALUES AND STANDARD OF CONDUCT TO MAKE SURE ALL PATIENTS ARE TREATED WITH DIGNITY AND RESPECT.
SCHEDULE H, PART VI	LINES 2, 4 AND 5 - NEEDS ASSESSMENT AND COMMUNITY INFORMATION	ORGANIZATION'S MISSION, VISION, AND TAX-EXEMPT PURPOSE KENTUCKYONE HEALTH, THE LARGEST AND MOST COMPREHENSIVE HEALTH SYSTEM IN THE COMMONWEALTH, HAS MORE THAN 200 LOCATIONS INCLUDING HOSPITALS, PHYSICIAN GROUPS, CLINICS, PRIMARY CARE CENTERS, SPECIALTY INSTITUTES AND HOME HEALTH AGENCIES IN KENTUCKY AND SOUTHERN INDIANA. KENTUCKYONE HEALTH IS DEDICATED TO BRINGING WELLNESS, HEALING AND HOPE TO ALL, INCLUDING THE UNDERSERVED. THE SYSTEM IS MADE UP OF THE FORMER JEWISH HOSPITAL & ST. MARY'S HEALTHCARE AND SAINT JOSEPH HEALTH SYSTEM, ALONG WITH THE UNIVERSITY OF LOUISVILLE HOSPITAL AND JAMES GRAHAM BROWN CANCER CENTER. KENTUCKYONE HEALTH IS PROUD OF AND STRENGTHENED BY ITS CATHOLIC, JEWISH AND ACADEMIC HERITAGES. KENTUCKYONE HEALTH WAS FORMED WHEN TWO MAJOR KENTUCKY HEALTH CARE ORGANIZATIONS CAME TOGETHER IN EARLY 2012. KENTUCKYONE HEALTH COMBINES THE JEWISH AND CATHOLIC HERITAGES OF THE TWO FORMER SYSTEMS– JEWISH HOSPITAL & ST. MARY'S HEALTHCARE AND SAINT JOSEPH HEALTH SYSTEM. IN LATE 2012, THE ORGANIZATION FORMED A PARTNERSHIP WITH THE UNIVERSITY OF LOUISVILLE HOSPITAL	JAMES GRAHAM BROWN CANCER CENTER. THE NONPROFIT SYSTEM IS COMMITTED TO IMPROVING THE HEALTH OF KENTUCKIANS BY INTEGRATING MEDICAL RESEARCH, EDUCATION, TECHNOLOGY AND HEALTH CARE SERVICES WHEREVER PATIENTS RECEIVE CARE. AN 18-MEMBER VOLUNTEER BOARD OF DIRECTORS GOVERNS KENTUCKYONE HEALTH, ITS FACILITIES AND OPERATIONS, WITH THIS MISSION: TO BRING WELLNESS, HEALING, AND HOPE TO ALL. OUR VISION IS TO: •SERVE WITH A SPIRIT OF INNOVATION AND COLLABORATION •TRANSFORM HEALTH CARE DELIVERY •PARTNER TO CREATE HEALTHY COMMUNITIES •ADVOCATE FOR A JUST HEALTH SYSTEM JEWISH HOSPITAL, JEWISH HOSPITAL SHELBYVILLE, UNIVERSITY OF LOUISVILLE HOSPITAL, AND STS. MARY AND ELIZABETH HOSPITAL ALL OPERATE 24-HOUR EMERGENCY ROOMS 365 DAYS PER YEAR. ALL THREE EMERGENCY ROOMS ARE OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY. ALL FACILITIES HAVE AN OPEN MEDICAL STAFF, PARTICIPATE IN MEDICARE AND MEDICAID, AND HAVE AN ACTIVE CHARITY CARE PROGRAM. UNIVERSITY OF LOUISVILLE HOSPITAL IS ALSO THE STATE'S FIRST LEVEL 1 TRAUMA CENTER. THE OTHER TWO FACILITIES CONSIDERED PART OF THE LOUISVILLE MARKET INCLUDE OUR LADY OF PEACE AND FRAZIER REHABILITATION INSTITUTE. COMMUNITY BENEFIT APPROACH GEOGRAPHIC AREA LOUISVILLE IS A MAJOR CITY—THE LARGEST IN THE STATE OF KENTUCKY AND THE COUNTY SEAT OF JEFFERSON COUNTY. AS OF 2010, THE LOUISVILLE METROPOLITAN AREA (MSA) HAD A POPULATION OF 1,307,647 RANKING IT 42ND IN SIZE NATIONALLY. THE METRO AREA INCLUDES LOUISVILLE-JEFFERSON COUNTY AND 12 SURROUNDING COUNTIES, EIGHT IN KENTUCKY AND FOUR IN SOUTHERN INDIANA. LOUISVILLE IS SOUTHEASTERLY SITUATED ALONG THE BORDER BETWEEN KENTUCKY AND INDIANA, THE OHIO RIVER, IN NORTH-CENTRAL KENTUCKY AT THE FALLS OF THE OHIO. THE LOUISVILLE METROPOLITAN AREA IS OFTEN REFERRED TO AS KENTUCKIANA BECAUSE IT INCLUDES COUNTIES IN SOUTHERN INDIANA. A COMMUNITY IS DEFINED AS THE GEOGRAPHIC AREA FROM WHICH A SIGNIFICANT NUMBER OF THE PATIENTS UTILIZING HOSPITAL SERVICES RESIDE. WHILE THE COMMUNITY HEALTH NEEDS ASSESSMENT CONSIDERS OTHER TYPES OF HEALTHCARE PROVIDERS, HOSPITALS ARE THE SINGLE LARGEST PROVIDER OF ACUTE CARE SERVICES. FOR THIS REASON, THE UTILIZATION OF HOSPITAL SERVICES PROVIDES THE CLEAREST DEFINITION OF THE COMMUNITY. JEWISH HOSPITAL DEFINES ITS SERVICE AREA FOR THIS COMMUNITY HEALTH NEEDS ASSESSMENT BASED ON WHERE THE MAJORITY OF ITS INPATIENTS RESIDE. BASED ON THE PATIENT ORIGIN OF INPATIENT DISCHARGES FROM JULY 1, 2011 TO JUNE 30, 2012, MANAGEMENT HAS IDENTIFIED THE COMMUNITY AS JEFFERSON, BULLITT, NELSON AND

Return Reference	Identifier	Explanation
		SHELBY COUNTIES. BECAUSE ALMOST 60 PERCENT OF JEWISH HOSPITAL'S INPATIENT DISCHARGES ORIGINATE IN JEFFERSON COUNTY, IT COLLABORATED WITH THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH & WELLNESS IN CONDUCTING ITS COMMUNITY HEALTH NEEDS ASSESSMENT. BULLITT, NELSON, AND SHELBY COUNTIES ARE SERVED BY JEWISH HOSPITAL MEDICAL CENTER SOUTH, JEWISH HOSPITAL SHELBYVILLE AND FLAGET MEMORIAL HOSPITAL, RESPECTIVELY. JEWISH HOSPITAL SHELBYVILLE CONDUCTED THEIR OWN COMMUNITY HEALTH NEEDS ASSESSMENTS IN CONJUNCTION WITH THE NORTH CENTRAL DISTRICT HEALTH DEPARTMENT AND WITH INPUT FROM AREA RESIDENTS. SHELBY COUNTY IS LOCATED ON INTERSTATE 64 BETWEEN LOUISVILLE AND LEXINGTON. SHELBYVILLE IS THE LARGEST CITY AND COUNTY SEAT OF SHELBY COUNTY WITH POPULATION OF JUST OVER 42,000. BECAUSE THE COMMUNITY IS 30 MINUTES FROM DOWNTOWN LOUISVILLE, THE COUNTY IS CONSIDERED PART OF METRO LOUISVILLE MSA. BESIDES JEFFERSON COUNTY, SHELBY COUNTY IS SURROUNDED BY HENRY, FRANKLIN, ANDERSON, SPENCER AND OLDHAM COUNTIES. JEWISH HOSPITAL SHELBYVILLE DEFINES ITS SERVICE AREA FOR THIS COMMUNITY HEALTH NEEDS ASSESSMENT BASED ON WHERE THE MAJORITY OF ITS INPATIENTS RESIDE. BASED ON THE PATIENT ORIGIN OF INPATIENT DISCHARGES FROM JANUARY TO DECEMBER 30, 2011, MANAGEMENT HAS IDENTIFIED ALMOST 80 PERCENT OF JEWISH HOSPITAL SHELBYVILLE'S DISCHARGES ORIGINATE IN SHELBY COUNTY. THE NORTH CENTRAL DISTRICT HEALTH DEPARTMENT, COLLABORATING PARTNER FOR JEWISH HOSPITAL SHELBYVILLE'S COMMUNITY HEALTH NEEDS ASSESSMENT, ALSO SERVES POPULATIONS IN HENRY AND SPENCER COUNTIES AND PLANS ARE IN PLACE TO EXPAND THE SURVEY AND NEEDS ASSESSMENT TO THOSE COUNTIES AS SOON AS THE SHELBY COUNTY PLAN IS COMPLETE. JEWISH HOSPITAL SHELBYVILLE RECEIVES APPROXIMATELY 10% OF ADMISSIONS FROM BOTH SPENCER AND HENRY COUNTIES. THEY ARE CONSIDERED TO BE A PART OF THE HOSPITAL'S PRIMARY SERVICE AREA. DEMOGRAPHICS OF CONSTITUENTS IN COMMUNITY SERVED ACCORDING TO THE 2010 CENSUS, 26% OF THE COMMUNITY IS BETWEEN THE AGES OF 35 AND 54 AND 20% OF THE POPULATION IS BETWEEN 0-14 YEARS OLD. THE ETHNICITY BREAKDOWN IS 68% WHITE, 23% BLACK, AND 5% HISPANIC. IN TOTAL, THE POPULATION BREAKDOWN FOR THE COMMUNITY SHOWS A HIGHER PERCENTAGE OF BLACK RESIDENTS COMPARED TO THE STATE OF KENTUCKY AND THE UNITED STATES. A REVIEW OF SPECIFIC ZIP CODE AREAS SHOWS A RELATIVELY LARGE PERCENTAGE OF BLACK RESIDENTS IN SEVERAL ZIP CODES REPRESENTING THE HIGHEST DISCHARGES FROM JEWISH HOSPITAL. MEDIAN HOUSEHOLD INCOMES RANGE FROM $25,000-$50,000. THE AVERAGE ANNUAL RESIDENT UNEMPLOYMENT RATES FOR COUNTIES IN JEWISH HOSPITAL'S DEFINED COMMUNITY HAVE RISEN IN RECENT YEARS. THESE COUNTIES HAVE RATES ARE SIMILAR TO KENTUCKY'S STATE AVERAGE, WHICH IS SLIGHTLY LESS FAVORABLE THAN NATIONAL AVERAGES. IN JEFFERSON COUNTY, RESIDENTS OBTAIN A BACHELOR'S DEGREE OR HIGHER AT RATES GREATER THAN STATE AND NATIONAL AVERAGES; IN BULLITT COUNTY THE RATE IS JUST 11.1 PERCENT, ABOUT HALF THE STATE AVERAGE.
SCHEDULE H, PART VI	LINES 2, 4, AND 5 CONT	THE OVERALL POPULATION IS PROJECTED TO INCREASE SLIGHTLY OVER A FIVE-YEAR PERIOD FROM 577,204 IN 2013 TO 595,540, A 3.2 PERCENT INCREASE. HOWEVER, THE PEOPLE WHO UTILIZE HEALTH CARE SERVICES THE MOST, THOSE AGES 65 YEARS AND OVER, ARE PROJECTED TO INCREASE 16.7 PERCENT, FROM 77,983 TO 91,003. THE PROJECTED CHANGE TO THE COMPOSITION OF THE TOTAL COMMUNITY OF MALES AND FEMALES IS PROJECTED TO REMAIN APPROXIMATELY THE SAME OVER THE FIVE-YEAR PERIOD. FOR THE COMMUNITY SERVED BY JEWISH HOSPITAL SHELBYVILLE, HOUSEHOLD INCOMES RANGE FROM $42,506 TO $61,921. HENRY COUNTY HAS THE HIGHEST LEVEL OF POPULATION IN POVERTY AT 18.5%, WHICH IS JUST BELOW THE STATE PERCENTAGE OF 18.98. COMMUNITY BENEFIT PROCESS DURING 2012, A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS CONDUCTED TO SUPPORT THE MISSION OF ENHANCING THE HEALTH OF PEOPLE IN THE COMMUNITIES SERVED, TO COMPLY WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010 AND FEDERAL TAX-EXEMPTION REQUIREMENTS, AND TO IDENTIFY HEALTH NEEDS OF THE COMMUNITY TO HELP PRIORITIZE THE ALLOCATION OF HOSPITAL RESOURCES TO MEET THOSE NEEDS. BASED ON CURRENT LITERATURE AND OTHER GUIDANCE FROM THE TREASURY AND IRS, THE FOLLOWING STEPS WERE COMPLETED AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT: 1. THE "COMMUNITY" SERVED WAS DEFINED UTILIZING INPATIENT DATA ON PATIENT ORIGIN. 2. POPULATION DEMOGRAPHICS AND SOCIOECONOMIC CHARACTERISTICS OF THE COMMUNITY WERE GATHERED AND REPORTED USING VARIOUS SOURCES. THE HEALTH STATUS OF THE COMMUNITY WAS THEN REVIEWED. INFORMATION ON THE LEADING CAUSES OF DEATH AND MORBIDITY WAS ANALYZED IN CONJUNCTION WITH HEALTH OUTCOMES AND FACTORS REPORTED FOR THE COMMUNITY BY COUNTYHEALTHRANKINGS.ORG. HEALTH FACTORS WITH SIGNIFICANT OPPORTUNITY FOR IMPROVEMENT WERE NOTED. 3. AN INVENTORY OF HEALTH CARE FACILITIES AND RESOURCES WAS PREPARED. 4. THROUGH A COLLABORATIVE PROCESS CONDUCTED BY THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH & WELLNESS(LMDPHW), THE KENTUCKY HOSPITAL ASSOCIATION AND LOUISVILLE AREA HOSPITALS, COMMUNITY INPUT WAS OBTAINED THROUGH A SERIES OF FOUR PUBLIC FORUMS HELD ACROSS THE COUNTY, AND AN ADDITIONAL FORUM FOR COMMUNITY LEADERS AND MEDICAL PROFESSIONALS, AND THROUGH AN ONLINE SURVEY. INFORMATION GATHERED IN THE STEPS ABOVE WAS ANALYZED AND REVIEWED TO IDENTIFY HEALTH ISSUES OF UNINSURED PERSONS, LOW-INCOME PERSONS, MINORITY GROUPS AND THE COMMUNITY AS A WHOLE. HEALTH NEEDS WERE PRIORITIZED UTILIZING A METHOD THAT

Return Reference	Identifier	Explanation
		WEIGHS: 1) THE SIZE OF THE PROBLEM; 2) THE SERIOUSNESS OF THE PROBLEM; 3) THE IMPACT OF THE PROBLEM ON VULNERABLE POPULATIONS; 4) HOW IMPORTANT THE PROBLEM IS TO THE COMMUNITY; 5) PREVALENCE OF COMMON THEMES; 6) HOW CLOSELY THE NEED ALIGNS WITH THE STRATEGIES AND STRENGTHS OF THE HOSPITAL AND KENTUCKYONE HEALTH; AND 7) AN EVALUATION OF EXISTING HOSPITAL PROGRAMS RESPONDING TO THE IDENTIFIED NEED. INFORMATION GAPS WERE IDENTIFIED DURING THE PRIORITIZATION PROCESS AND REPORTED. JEWISH HOSPITAL SHELBYVILLE HAS IDENTIFIED COMMUNITY HEALTH NEEDS BY UNDERGOING AN ASSESSMENT PROCESS IN COLLABORATION WITH OTHER COMMUNITY HEALTH PARTNERS. MORE THAN 1,800 RESIDENTS PROVIDED INPUT THROUGH A SURVEY (PAPER AND ONLINE, ENGLISH AND SPANISH). ANOTHER 25 COMMUNITY LEADERS AND HEALTH PROFESSIONALS SHARED THEIR EXPERTISE AT A SPECIAL COMMUNITY FORUM. IN ADDITION, SECONDARY DATA WAS COMPILED FROM DEMOGRAPHIC AND SOCIOECONOMIC SOURCES AS WELL AS NATIONAL, STATE AND LOCAL SOURCES OF INFORMATION ON DISEASE PREVALENCE, HEALTH INDICATORS, HEALTH EQUITY AND MORTALITY. FROM A COMPILATION OF INFORMATION, JEWISH HOSPITAL SHELBYVILLE LEADERS ENTERED INTO A DIALOGUE WITH OTHER KEY COMMUNITY PARTNERS TO DISCUSS THE RESULTS OF THE EVALUATION/HEALTH PRIORITIES AND CONSENSUS WAS REACHED. THE PROCESS IDENTIFIED THE ISSUES WITH SCORES OF 14 OR MORE (ON A SCALE OF 28). WITH AN UNDERSTANDING THAT COLLABORATIVE EFFORTS HAVE THE GREATEST OPPORTUNITY FOR MEASURABLE, COLLECTIVE IMPACT, JEWISH HOSPITAL SHELBYVILLE HAS WORKED IN PARTNERSHIP WITH THE LOCAL NORTH CENTRAL DISTRICT HEALTH DEPARTMENT THROUGH THE IMPLEMENTATION OF THE COMMUNITY'S MAPP (MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS) ASSESSMENT AND PLAN. IN ADDITION, THE HOSPITAL IS PARTNERING WITH THE KENTUCKIANA REGIONAL PLANNING & DEVELOPMENT AGENCY (KIPDA) AND THE UNIVERSITY OF LOUISVILLE KENT SCHOOL OF SOCIAL WORK THROUGH THEIR CDC FUNDED RURAL DIABETES COALITION GRANT. SUMMARY OF ASSESSMENT FINDINGS AFTER THE CHNA WAS COMPLETED, THE AFOREMENTIONED FACILITIES ENTERED INTO A DIALOGUE WITH OTHER KEY COMMUNITY PARTNERS, INCLUDING THE LMDPHW, TO DISCUSS THE RESULTS OF THE EVALUATION AND SELECT HEALTH PRIORITIES. PARTICIPANTS WERE GIVEN THE OPPORTUNITY TO REVISE RANKINGS AND DEBATE ISSUES UNTIL A CONSENSUS WAS REACHED ON A COMPOSITE RANKING OF HEALTH ISSUES. THE PROCESS IDENTIFIED THE FOLLOWING ISSUES WITH SCORES OF 14 OR MORE (ON A SCALE OF 28): •STROKE/CEREBROVASCULAR DISEASE •CHRONIC DISEASES IN VULNERABLE NEIGHBORHOODS/POPULATIONS •CHRONIC LOWER RESPIRATORY DISEASE (COPD) •CANCER •ADULT OBESITY •HEART DISEASE •PHYSICAL INACTIVITY •ACCESS TO CARE •BRAIN DISORDERS (MENTAL/EMOTIONAL HEALTH) •VIOLENT CRIME •LIMITED ACCESS TO HEALTHY FOODS •ADDICTION/SUBSTANCE ABUSE •ADULT SMOKING •LIMITED HEALTH KNOWLEDGE AND EDUCATION •NEED FOR IMPROVED COMMUNICATION OF AVAILABLE SERVICES •UNINSURED •CHILDREN IN POVERTY THESE NEEDS WERE THEN MAPPED TO THE HEALTH IMPROVEMENT EFFORTS OF THE MAYOR'S HEALTHY HOMETOWN MOVEMENT IN ORDER TO INCREASE COLLABORATIVE EFFORTS TO HAVE THE GREATEST OPPORTUNITY FOR MEASURABLE, COLLECTIVE IMPACT. COMMUNITY BENEFIT PROCESS FOR THE FUTURE IN ACCORDANCE WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010 AND IN ORDER TO HONOR ITS COMMITMENT TO THE COMMUNITY, KENTUCKYONE HEALTH IS REPEATING THIS COORDINATED APPROACH WITH THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS AND OTHER AREA HOSPITAL SYSTEMS TO SURVEY THE COMMUNITY AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT FOR 2015. A REPORT DUE IN 2016 WILL CAPTURE THESE CURRENT COMMUNITY SENTIMENTS AND GUIDE COMMUNITY BENEFIT WORK IN FY2017-2019 THROUGH AN IMPLEMENTATION STRATEGY. THIS IMPLEMENTATION STRATEGY WILL BUILD UPON THE PREVIOUS CHNA PUBLISHED IN 2013 THAT GUIDED COMMUNITY BENEFIT WORK IN FY2014-2016. QUALITATIVE DESCRIPTION OF COMMUNITY BENEFIT THESE HOSPITALS PROMOTE THE COMMUNITY'S HEALTH BY RESPONDING TO THE FOUR MAJOR PILLARS OF COMMUNITY BENEFIT ACTIVITIES: IMPROVING ACCESS, ENHANCING COMMUNITY HEALTH, ADVANCING MEDICAL KNOWLEDGE, AND REDUCING GOVERNMENT BURDEN OF CARE. COMMUNITY OUTREACH FOR THE POOR THEY PROVIDE ADDITIONAL ACCESS TO HEALTH CARE SERVICES IN UNDERSERVED AREAS OF JEFFERSON COUNTY. ULH|JGBCC WORKS TO RELIEVE THE GOVERNMENT'S BURDEN BY CARING FOR THE INDIGENT IN JEFFERSON COUNTY. ULH|JGBCC HAS ALSO PROVIDED STAFF AND FINANCIAL SUPPORT TO THE HARAMBEE CLINIC, A NURSE-RUN CLINIC THAT PROVIDES ADDITIONAL ACCESS TO HEALTH CARE SERVICES IN UNDERSERVED AREAS OF JEFFERSON COUNTY. ULH|JGBCC ALSO WORKS TO ENHANCE THE HEALTH OF THE COMMUNITY THROUGH VIOLENCE PREVENTION INTERVENTIONS, HEALTH FAIRS IN UNDERSERVED AREAS, AND COMMUNITY COLLABORATION WITH OTHER NONPROFITS TO ADDRESS THE ISSUES AROUND HOSPITAL SUPER-UTILIZERS, AMONG OTHER INITIATIVES.
SCHEDULE H, PART VI	LINES 2, 4, AND 5 CONT	COMMUNITY OUTREACH FOR THE BROADER COMMUNITY MOST COMMUNITY OUTREACH IS OPEN TO THE PUBLIC, WHICH SERVES THE BROADER COMMUNITY. ONE INITIATIVE THAT SIMULTANEOUSLY IMPROVES ACCESS TO HEALTHCARE AND PROMOTES HEALTH LIVING IS WALK WITH A DOC, WHICH IS FREE, OPEN TO THE PUBLIC, AND HELD IN THREE SEPARATE GEOGRAPHIC LOCATIONS IN THE LOUISVILLE MARKET.

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		KENTUCKYONE HEALTH COMPLETELY ABSORBS THE COST OF THIS PROGRAM, INCLUDING FEES AND ALLOCATING STAFF TIME IN ORDER TO PROVIDE THIS BENEFIT TO THE WHOLE COMMUNITY. HEALTH PROFESSIONS EDUCATION AS TEACHING HOSPITALS, THEY WORK TO ADVANCE MEDICAL KNOWLEDGE FOR MANY DIFFERENT SPECIALIZATIONS OF HEALTH PROFESSIONALS. IN FY2014, THIS INCLUDED, BUT WAS NOT LIMITED TO, PROVIDING EDUCATION TO: MEDICAL STUDENTS, PHYSICIAN RESIDENTS AND FELLOWS, NURSING STUDENTS, PHARMACY RESIDENTS, MENTAL HEALTH PROFESSIONALS, PHYSICAL AND OCCUPATIONAL THERAPISTS, AND LABORATORY TECHNICIANS. THIS WAS DONE IN COLLABORATION WITH THE UNIVERSITY OF LOUISVILLE, THE UNIVERSITY OF KENTUCKY, SPALDING UNIVERSITY, GALEN COLLEGE OF NURSING, BELLARMINE UNIVERSITY, AND JEFFERSON COMMUNITY AND TECHNICAL COLLEGE, AMONG OTHERS. COMMUNITY BUILDING ACTIVITIES THE HOSPITALS ALSO WORK TO ENHANCE THE HEALTH OF THE COMMUNITY THROUGH VIOLENCE PREVENTION INTERVENTIONS, HEALTH FAIRS IN UNDERSERVED AREAS, AND COMMUNITY COLLABORATION WITH OTHER NONPROFITS TO ADDRESS THE ISSUES AROUND HOSPITAL SUPER-UTILIZERS, AMONG OTHER INITIATIVES. ALL HOSPITALS ALSO DONATE SUPPLIES TO SUPPLIES OVERSEAS. COLLABORATING PARTNERS FOR COMMUNITY BUILDING ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO: JEFFERSON COUNTY PUBLIC SCHOOLS, LOUISVILLE METRO GOVERNMENT, FOOD LITERACY PROJECT, WALK WITH A DOC, UNIVERSITY OF LOUISVILLE, PACT IN ACTION, AND THE CENTER FOR WOMEN AND FAMILIES, AMONG OTHERS. LIST OF SERVICES PER LOUISVILLE MARKET FACILITY JEWISH HOSPITAL •CANCER CARE •24/7 EMERGENCY CARE •HAND AND MICROSURGERY •HEART CARE •HOME CARE •MINIMALLY INVASIVE SURGERY •NEUROLOGY CARE •ORTHOPEDIC CARE •PALLIATIVE CARE •PHARMACY •PODIATRY CARE •REHABILITATION CARE—FRAZIER REHAB •SLEEP CARE •SPORTS MEDICINE •TRANSPLANT CARE •VASCULAR CARE •WOMEN'S CARE •WOUND CARE JEWISH HOSPITAL SHELBYVILLE •24/7 EMERGENCY CARE •CRITICAL CARE •DIAGNOSTIC IMAGING •CARDIAC & PULMONARY REHABILITATION •GENERAL SURGERY, INCLUDING LASER AND LAPAROSCOPY •ENDOSCOPY •GASTROENTEROLOGY •COMPREHENSIVE GYNECOLOGY •ORTHOPEDIC CARE •PAIN MANAGEMENT •SLEEP MEDICINE •WOUND HEALING CENTER •FRAZIER REHAB INSTITUTE (PHYSICAL, OCCUPATIONAL & SPEECH THERAPIES) •OCCUPATIONAL MEDICINE •CLINICAL LABORATORY AND PHARMACY OUR LADY OF PEACE •MENTAL HEALTH SERVICES FOR PATIENTS WITH EMOTIONAL/BEHAVIORAL, PSYCHIATRIC DISORDERS AND/OR CHEMICAL DEPENDENCIES •SHORT-TERM ACUTE/SEMI-ACUTE INPATIENT CARE PROGRAMS •TREATMENT ALTERNATIVES SUCH AS PARTIAL HOSPITALIZATION AND INTENSIVE OUTPATIENT PROGRAMS FOR CHILDREN, ADOLESCENTS AND ADULTS FRAZIER REHABILITATION INSTITUTE •ACUTE CARE REHAB •ADAPTIVE SPORTS PROGRAM •ALS CLINIC •AMPUTEE REHAB PROGRAM •ANIMAL ASSISTED THERAPY •AQUATIC THERAPY •ASSISTIVE TECHNOLOGY •BRAIN INJURY PROGRAM •COMMUNITY AND WORK RE-ENTRY •COMMUNITY BASED REHAB •COMMUNITY FITNESS AND WELLNESS FACILITY •DRIVER'S EDUCATION AND TRAINING PROGRAM •FRAZIER WATER PROTOCOL •HUMAN LOCOMOTION RESEARCH CENTER •MOVEMENT DISORDERS/PARKINSON DISEASE PROGRAM •NEUROPSYCHOLOGY/PSYCHOLOGY SERVICES

Return Reference	Identifier	Explanation
		•NEURORECOVERY NETWORK •NEUROREHAB PROGRAM •NEUROSCIENCE COLLABORATIVE CENTER •PEDIATRIC REHAB PROGRAM •PULMONARY REHAB PROGRAM •SPINAL CORD MEDICINE PROGRAM •SPORTS MEDICINE PROGRAM •STROKE REHAB PROGRAM •WOMEN'S HEALTH - PELVIC FLOOR THERAPY UNIVERSITY OF LOUISVILLE HOSPITAL •CANCER CARE—JAMES GRAHAM BROWN CANCER CENTER •EPILEPSY CENTER •HEART CARE •LUNG CARE •PAIN MANAGEMENT CARE •PALLIATIVE CARE •PHARMACY •PSYCHIATRIC SERVICES •RADIOLOGY AND DIAGNOSTIC IMAGING •REGIONAL CLINICAL CARE •ROBOTIC SURGERY •STROKE CENTER •SLEEP CARE •TRAUMA CENTER •WOMEN'S CARE
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE.	JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC INCLUDES INFORMATION CONCERNING ITS FINANCIAL ASSISTANCE POLICY ON ITS WEBSITE. IN ADDITION, JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC PROMINENTLY DISPLAYS ITS FINANCIAL ASSISTANCE POLICY IN BOTH ENGLISH AND SPANISH IN OBVIOUS LOCATIONS THROUGHOUT THE HOSPITALS, INCLUDING THE EMERGENCY ROOMS AND OTHER PATIENT INTAKE AREAS, AS WELL AS IN JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC OUTPATIENT FACILITIES. IN ADDITION, JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC REGISTRATION CLERKS ARE TRAINED TO PROVIDE CONSULTATION TO THOSE WHO HAVE NO INSURANCE OR POTENTIALLY INADEQUATE INSURANCE CONCERNING THEIR FINANCIAL OPTIONS INCLUDING APPLICATION FOR MEDICAID AND FOR FINANCIAL ASSISTANCE UNDER JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC'S FINANCIAL ASSISTANCE POLICY. UPON REGISTRATION (AND ONCE ALL EMTALA REQUIREMENTS ARE MET), PATIENTS WHO ARE IDENTIFIED AS UNINSURED (AND NOT COVERED BY MEDICARE OR MEDICAID) ARE PROVIDED WITH A PACKET OF INFORMATION THAT ADDRESSES THE FINANCIAL ASSISTANCE POLICY AND PROCEDURES INCLUDING AN APPLICATION FOR ASSISTANCE. JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC REGISTRATION CLERKS READ THE ORGANIZATION'S MEDICAL ASSISTANCE POLICY TO THOSE WHO APPEAR TO BE INCAPABLE OF READING, AND PROVIDE TRANSLATORS FOR NON ENGLISH-SPEAKING INDIVIDUALS. JEWISH HOSPITAL & ST. MARYS HEALTHCARE, INC'S STAFF WILL ALSO ASSIST THE PATIENT/GUARANTOR WITH APPLYING FOR OTHER AVAILABLE COVERAGE (SUCH AS MEDICAID), IF NECESSARY. COUNSELORS ASSIST MEDICARE ELIGIBLE PATIENTS IN ENROLLMENT BY PROVIDING REFERRALS TO THE APPROPRIATE GOVERNMENT AGENCIES.
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM	JEWISH HOSPITAL AND ST. MARY'S HEALTHCARE, INC., ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES, ARE PART OF CATHOLIC HEALTH INITIATIVES. CATHOLIC HEALTH INITIATIVES (CHI) IS A NATIONAL FAITH-BASED NONPROFIT HEALTH CARE ORGANIZATION WITH HEADQUARTERS IN ENGLEWOOD, COLORADO. CHI'S EXEMPT PURPOSE IS TO SERVE AS AN INTEGRAL PART OF ITS NATIONAL SYSTEM OF HOSPITALS AND OTHER CHARITABLE ENTITIES, WHICH ARE DESCRIBED AS MARKET-BASED ORGANIZATIONS, OR MBOS. AN MBO IS A DIRECT PROVIDER OF CARE OR SERVICES WITHIN A DEFINED MARKET AREA THAT MAY BE AN INTEGRATED HEALTH SYSTEM AND/OR A STAND-ALONE HOSPITAL OR OTHER FACILITY OR SERVICE PROVIDER. CHI SERVES AS THE PARENT CORPORATION OF ITS MBOS WHICH ARE COMPRISED OF 92 HOSPITALS, INCLUDING FOUR ACADEMIC MEDICAL CENTERS, AND 24 CRITICAL ACCESS FACILITIES; COMMUNITY HEALTH SERVICE ORGANIZATIONS; ACCREDITED NURSING COLLEGES; HOME HEALTH AGENCIES; AND OTHER FACILITIES THAT SPAN THE INPATIENT AND OUTPATIENT CONTINUUM OF CARE. TOGETHER, THESE FACILITIES PROVIDED $910 MILLION IN CHARITY CARE AND COMMUNITY BENEFIT IN THE 2014 FISCAL YEAR, INCLUDING SERVICES FOR THE POOR, FREE CLINICS, EDUCATION AND RESEARCH. CHI PROVIDES STRATEGIC PLANNING AND MANAGEMENT SERVICES AS WELL AS CENTRALIZED "SHARED SERVICES" FOR THE MBOS. THE PROVISION OF CENTRALIZED MANAGEMENT AND SHARED SERVICES – INCLUDING AREAS SUCH AS ACCOUNTING, HUMAN RESOURCES, PAYROLL AND SUPPLY CHAIN -- PROVIDES ECONOMIES OF SCALE AND PURCHASING POWER TO THE MBOS. THE COST SAVINGS ACHIEVED THROUGH CHI'S CENTRALIZATION ENABLE MBOS TO DEDICATE ADDITIONAL RESOURCES TO HIGH-QUALITY HEALTH CARE AND COMMUNITY OUTREACH SERVICES TO THE MOST VULNERABLE MEMBERS OF OUR SOCIETY. JEWISH HOSPITAL AND ST. MARY'S HEALTHCARE, INC. OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND COMMUNITY PARTNERS, ALONG WITH ITS FUNDRAISING ARM, THE JEWISH HOSPITAL & ST. MARY'S FOUNDATION, TO SERVE THE HEALTH CARE NEEDS OF THE LOUISVILLE, KENTUCKY COMMUNITIES.
SCHEDULE H, PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT	KY

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" to 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

2013

Open to Public Inspection

Name of the organization

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number

[redacted]

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 Governments and Organizations in the United States.

Complete if the organization answered "Yes" to 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.

1 (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
(1) JEWISH HERITAGE FUND FOR EXCELLENCE 100 EAST LIBERTY STREET, SUITE 300, LOUISVILLE, KY 40202	20-3805455	501(C)(3)	250,000				GENERAL SUPPORT
(2) LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELL 609 W JEFFERSON STREET, LOUISVILLE, KY 40202	32-0049006	GOV UNIT	102,235				UPSTREAM EQUITY GRANT
(3) UNIVERSITY OF LOUISVILLE UNIVERSITY OF LOUISVILE, LOUISVILLE, KY 40202	61-1029626	GOV UNIT	105,310				GENERAL SUPPORT
(4) CENTER FOR WOMEN AND FAMILIES, INC. PO BOX 2048, 927 SOUTH SECOND STREET, LOUISVILLE, KY 40201	61-0444846	501C(3)	125,073				VIOLENCE PREVENTION GRANT
(5) CONSOLIDATED HEALTH SERVICES 1700 EDISON DRIVE, MILLFORD, OH 45150	31-1378212		147,068				VNA GRANT
(6) SOUTHERN INDIANA REHAB HOSPITAL 3104 BLACKISTON MILL BOULEVARD, NEW ALBANY, IN 47150	35-1903507	501C(3)	10,734				TOYS FOR SPECIAL CHILDREN
(7) NETWORK CENTER FOR COMMUNITY CHANGE 334 E BROADWAY, SUITE 305, LOUISVILLE, KY 40202	26-0505260	501C(3)	46,839				UPSTREAM EQUITY GRANT
(8) CHRISTINE M. KLEINERT INSTITUTE FOR HAND AND MICOR SURG 225 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	61-1110645	501C(3)	435,409				RESEARCH AND GENERAL SUPPORT
(9) FOOD LITERACY PROJECT 9001 LIMEHOUSE LANE, LOUISVILLE, KY 40222	20-5014424	501C(3)	36,825				GENERAL SUPPORT
(10) NEW ROOTS 1510 BRECKINRIDGE LANE, LOUISVILLE, KY 40204	27-0700459	501C(3)	23,175				GENERAL SUPPORT
(11) FLAGET HEALTHCARE INC. 4305 NEW SHEPHERDSVILLE ROAD, BARDSTOWN, KY 40004	61-1345363	501C(3)	425,662				GENERAL SUPPORT
(12) SOS INTERNATIONAL 1500 ARLINGTON AVENUE, LOUISVILLE, KY 40206	27-2624272	501C(3)		464,532	FMV	MEDICAL SUPPLIES AND EQUIPMENT	GENERAL SUPPORT

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 . . . . . ▶ 1

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 TAXI VOUCHERS FOR PATIENTS NEEDING TRANSPORTATION TO THERAPY		5,114			
2 PATIENT HOUSING EXPENSES		11,920			
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.

SEE NEXT PAGE

Part IV **Supplemental Information** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Return Reference	Identifier	Explanation
SCHEDULE I, PART I, LINE 2	PROCEDURES FOR MONITORING USE OF GRANT FUNDS	WHEN COMMUNITY ORGANIZATIONS SEEK THE SUPPORT AND INVOLVEMENT OF JHSMH, WE WILL FOCUS ON OPPORTUNITIES THAT MEET ONE (AND PREFERABLY SEVERAL OF) THE FOLLOWING CRITERIA: -IMPROVE THE HEALTH OF OUR COMMUNITY -SUPPORT THE EDUCATION, DEVELOPMENT, RECRUITMENT AND RETENTION OF HIGH QUALITY HEALTH CARE PROFESSIONALS -COMPLEMENT AND ADVANCE AN AREA OF JHSMH CLINICAL EXCELLENCE -IMPROVE THE LIVES OF PEOPLE WHO ARE MEDICALLY UNDERSERVED -DEMONSTRATE CLEAR, MEASURABLE ANNUAL GOALS THAT BENEFIT THE COMMUNITY/TARGET POPULATION -DEMONSTRATE THE ACTIVE INVOLVEMENT OF JHSMH TEAM MEMBERS EXCLUDED FROM CONSIDERATION ARE: -REQUESTS FROM ORGANIZATIONS OUTSIDE AREAS IN WHICH JHSMH PROVIDES SERVICES -REQUESTS FROM RELIGIOUS ORGANIZATIONS FOR RELIGIOUS PURPOSES -REQUESTS FROM INDIVIDUALS -REQUESTS FROM PRIMARY OR SECONDARY SCHOOLS (UNLESS THE SCHOOL HAS A FORMAL PARTNERSHIP OR CONTRACTUAL RELATIONSHIP EXISTING WITH JHSMH) -REQUESTS FROM POLITICAL ORGANIZATIONS -REQUESTS FOR CAPITAL IMPROVEMENT PROJECTS -REQUESTS FOR ANNUAL OPERATING SUPPORT OR DEBT REDUCTION -GENERALLY, REQUESTS FOR MULTI-YEAR SPONSORSHIPS ARE ALSO EXCLUDED PROCEDURE ---------- REQUESTS FOR SUPPORT MUST BE SUBMITTED IN WRITING TO THE COMMUNITY INVOLVEMENT COMMITTEE. IF A PERSONAL MEETING IS NEEDED, THE COMMITTEE WILL INITIATE IT AFTER A PRELIMINARY REVIEW. REQUESTS MUST BE SUBMITTED AT LEAST 6 WEEKS IN ADVANCE OF THE DATE OF THE EVENT OR PROJECT; THE COMMITTEE MEETS ONCE A MONTH TO REVIEW REQUESTS. REQUESTS SHOULD BE BRIEF AND INCLUDE: -A BRIEF INTRODUCTION OF THE ORGANIZATION, ITS MISSION AND HISTORY -A CONCISE EXPLANATION OF THE PROPOSED PARTNERSHIP AND HOW IT FURTHERS JHSMH'S MISSION AND/OR FUNDING PRIORITIES INCLUDING DETAILS ABOUT THE EVENT OR PROJECT DATE, LOCATION, ETC. -A CURRENT LISTING OF THE ORGANIZATION'S BOARD OF DIRECTORS RESPONSES WILL BE SENT TO REQUESTORS OF SUPPORT IN WRITING ABOUT THE NEXT STEP, IF ANY, IN THE APPLICATION PROCESS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990.***

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number [redacted]

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	**4a**	✓	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	✓	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		✓
b	Any related organization?	**5b**		✓
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**		✓
b	Any related organization?	**6b**		✓
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		✓
8	Were any amounts reported in 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	**8**		✓
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	**9**		

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	RUTH WILLIAMS BRINKLEY, PRESIDENT/CEO KENTUCKYONE HEALTH	(i)	0	0	0	0	0	0	0
		(ii)	843,588	505,731	48,383	161,273	8,280	1,567,255	0
2	MELVIN ALEXANDER, DIRECTOR/CFO KOH	(i)	0	0	0	0	0	0	0
		(ii)	402,823	0	1,118,545	0	2,024	1,523,392	38,251
3	MICHAEL ROWAN, FACHE, DIRECTOR/CHI EVP & COO	(i)	0	0	0	0	0	0	0
		(ii)	1,098,277	1,471,311	200,128	238,353	19,702	3,027,771	175,028
4	TAMMY HOWELL, DIRECTOR ACCOUNTING	(i)	119,966	0	200	0	18,933	139,099	0
		(ii)	0	0	0	0	0	0	0
5	GARY ERMERS, FORMER INTERIM CHIEF FINANCIAL OFFICER	(i)	0	0	0	0	0	0	0
		(ii)	0	0	462,576	28,602	20,266	511,444	86,753
6	SHERRI CRAIG, VICE PRESIDENT	(i)	175,976	0	2,840	0	17,295	196,111	0
		(ii)	0	0	0	0	0	0	0
7	SHARON HAGER, SECRETARY	(i)	0	0	0	0	0	0	0
		(ii)	311,659	44,776	20,592	23,502	8,967	409,496	0
8	COLLEEN HOLTON, VP FIN PLANNING	(i)	0	0	0	0	0	0	0
		(ii)	169,714	7,451	16,626	13,369	585	207,745	0
9	BRIAN DOHENY, VICE PRESIDENT	(i)	11,008	0	186,904	0	3,012	200,924	0
		(ii)	0	0	0	0	0	0	0
10	RANDY NAPIER, VICE PRESIDENT	(i)	0	0	0	0	0	0	0
		(ii)	230,533	42,334	23,564	54,869	13,495	364,795	0
11	JENNIFER NOLAN, VICE PRESIDENT	(i)	0	0	0	0	0	0	0
		(ii)	312,800	59,400	22,075	42,656	20,125	457,056	0
12	CHRISTOPHER ROSZMAN, VICE PRESIDENT	(i)	16,823	0	221,910	0	19,926	258,659	0
		(ii)	0	0	0	0	0	0	0
13	VAL SLAYTON, VICE PRESIDENT	(i)	22,404	0	306,979	0	9,244	338,627	0
		(ii)	0	0	0	0	0	0	0
14	KIMBERLY ALUMBAUGH, VICE PRESIDENT	(i)	0	0	331,510	0	191	331,701	0
		(ii)	0	0	0	0	0	0	0
15	JOHN JOHNSON, VICE PRESIDENT	(i)	0	0	120,597	0	6,678	127,275	0
		(ii)	0	0	0	0	0	0	0
16	DAVID LAIRD, VICE PRESIDENT	(i)	1	0	621,742	0	11,792	633,535	0
		(ii)	0	0	0	0	0	0	0

Part II Officers, Directors, Trustees, Key Employees and Highest Compensated Employees (continued)

(a) Name and Title		(b) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
(17) JEFFREY POLSON, VICE PRESIDENT	(i)	0	0	166,376	0	6,476	172,852	0
	(ii)	0	0	0	0	0	0	0
(18) KATHLEEN WOOD, VICE PRESIDENT	(i)	0	0	0	0	0	0	0
	(ii)	-1	0	174,187	0	7,270	181,456	0
(19) LISA DOLAN, VP NURSING	(i)	97,939	0	80,584	0	17,678	196,201	0
	(ii)	0	0	0	0	0	0	0
(20) CHERYL FUGATTE, VICE PRESIDENT/CNO	(i)	204,039	0	4,882	0	8,835	217,756	0
	(ii)	0	0	0	0	0	0	0
(21) KENNETH JOHNSON, VICE PRESIDENT	(i)	179,677	0	3,676	0	20,758	204,111	0
	(ii)	0	0	0	0	0	0	0
(22) MARK MILBURN, VICE PRESIDENT	(i)	183,995	0	2,890	0	18,906	205,791	0
	(ii)	0	0	0	0	0	0	0
(23) DEBORAH MOLNAR, VICE PRESIDENT	(i)	322,109	0	69,099	0	14,550	405,758	0
	(ii)	0	0	0	0	0	0	0
(24) JAMES PAROBEK, SENIOR VICE PRESIDENT	(i)	0	0	315,420	0	22,222	337,642	0
	(ii)	0	0	0	0	0	0	0
(25) SHELLEY SHAUGHNESSY, VICE PRESIDENT	(i)	330,513	0	13,898	0	19,697	364,108	0
	(ii)	0	0	0	0	0	0	0
(26) ROBERT SMITH, FAMILY MEDICINE	(i)	259,262	27,053	508	0	20,996	307,819	0
	(ii)	34,650	0	0	0	0	34,650	0
(27) RUTH WHEATLEY, VICE PRESIDENT	(i)	267,957	0	2,357	0	1,755	272,069	0
	(ii)	0	0	0	0	0	0	0
(28) CARLOTTA RINKE, VICE PRESIDENT	(i)	298,762	0	6,644	0	8,848	314,254	0
	(ii)	0	0	0	0	0	0	0
(29) JULIE MCGREGOR, VICE PRESIDENT	(i)	164,014	23,868	2,360	0	18,019	208,261	0
	(ii)	0	0	0	0	0	0	0
(30) ELAINE HAYES, DIRECTOR-ACCOUNTING	(i)	128,469	0	38,765	0	16,641	183,875	0
	(ii)	0	0	0	0	0	0	0
(31) BRADLEY LINCKS, VICE PRESIDENT/CNO	(i)	162,092	0	2,339	0	18,706	183,137	0
	(ii)	0	0	0	0	0	0	0
(32) KIMBERLY HITE, VICE PRESIDENT/CNO	(i)	147,473	0	2,513	0	11,502	161,488	0
	(ii)	0	0	0	0	0	0	0

Part III **Supplemental Information** Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE J, PART I, LINE 3	ARRANGEMENT USED TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION. CHI USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION: (1) COMPENSATION COMMITTEE; (2) INDEPENDENT COMPENSATION CONSULTANT; (3) WRITTEN EMPLOYMENT CONTRACTS; (4) COMPENSATION SURVEY OR STUDY; (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.
SCHEDULE J, PART I, LINE 4A	SEVERANCE OR CHANGE-OF-CONTROL PAYMENT	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES ("CHI") AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOS. THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT. POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE. THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM CATHOLIC HEALTH INITIATIVES (A RELATED ORGANIZATION) DURING THE 2013 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J: JAMES PAROBEK - $325,000 GARY ERMERS - $382,899 DEBORAH MOLNAR - $33,255 LISA DOLAN - $54,562 BRIAN DOHENY - $169,478 CHRISTOPHER ROSZMAN - $213,258 VAL SLAYTON - $290,404 KIMBERLY ALUMBAUGH - $331,510 JOHN JOHNSON - $121,543 DAIVD LAIRD - $624,998 JEFFREY POLSON - $168,293 KATHLEEN WOOD - $175,490 ELAINE HAYES - $14,572
SCHEDULE J, PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	DURING THE 2013 CALENDAR YEAR CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE. THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN: MELVIN ALEXANDER, PAUL EDGETT, GARY ERMERS, MICHAEL ROWAN AND RUTH WILLIAMS-BRINKLEY DURING 2013 THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN: MICHAEL ROWAN - $214,851 RUTH WILLIAMS-BRINKLEY -$135,221 RANDY NAPIER - $21,167 JENNIFER NOLAN - $21,704 DURING 2013 THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN: MELVIN ALEXANDER - $38,251 MICHAEL ROWAN -$175,028 GARY ERMERS - $86,753 DURING THE 2013 CALENDAR YEAR JEWISH HOSPITAL AND ST. MARY'S HEALTHCARE ("JHSMH"), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE. THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN: DEBORAH MOLNAR, JAMES PAROBEK THERE WERE NO CONTRIBUTIONS TO OR DISTRIBUTIONS FROM THE PLAN FOR 2013.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization

JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number

[redacted]

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (THEME BASKETS)	✓	53	31,319	MARKET VALUE
26	Other ▶ (SILENT AUCTION ITEMS)	✓	65	67,760	MARKET VALUE
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		✓
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		✓
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		✓
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE M, PART I	EXPLANATIONS OF REPORTING METHOD FOR NUMBER OF CONTRIBUTIONS	OTHER: OTHER COLUMN B IS BASED OFF OF THE NUMBER OF CONTRIBUTIONS OTHER: OTHER COLUMB B IS BASED OFF OF THE NUMBER OF CONTRIBUTIONS

Schedule O (Form 990)
Department of Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the Organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer Identification Number
[redacted]

Return Reference	Identifier	Explanation
FORM 990, PART VI, SEC A, LINE 6	CLASSES OF MEMBERS OR STOCKHOLDERS	THE SOLE CORPORATE MEMBER OF JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC. IS KENTUCKYONE HEALTH, INC.
FORM 990, PART VI, SEC A, LINE 7A	MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	THE BOARD OF DIRECTORS SHALL BE APPOINTED BY THE CORPORATE MEMBER.
FORM 990, PART VI, SEC A, LINE 7B	DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	CERTAIN RIGHTS MAY BE RESERVED BY THE CORPORATE MEMBER IN ACCORDANCE WITH THE BYLAWS AND THE LAWS OF THE COMMONWEALTH OF KENTUCKY. THE BUSINESS, PROPERTY, AFFAIRS AND FUNDS OF THE CORPORATION SHALL BE MANAGED, SUPERVISED, AND CONTROLLED BY THE BOARD OF DIRECTORS, IN CORFORMITY WITH APPLICABLE POLICIES, PROCEDURES, AND THE MISSION OF THE CORPORATION AND THE CORPORATE MEMBER.
FORM 990, PART VI, SEC B, LINE 11B	REVIEW OF FORM 990 BY GOVERNING BODY	ONCE THE RETURN IS PREPARED, THE RETURN IS REVIEWED BY THE VP OF FINANCE AND AN ELECTRONIC COPY IS PROVIDED TO EACH MEMBER OF THE BOARD. AFTER THE RETURN IS REVIEWED BY THE VP OF FINANCE, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AND STATE AGENCIES, MAKING ANY NONSUBSTANTIVE CHANGES NECESSARY THAT EFFECT E-FILING. ANY SUCH CHANGES ARE NOT RESUBMITTED TO THE BOARD. SUBSEQUENT TO THE RETURN BEING FILED, THE PRESIDENT/CEO OF KENTUCKYONE HEALTH, INC., THE SOLE MEMBER OF THE ORGANIZATION, PRESENTS THE RETURN AT A JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC. BOARD MEETING.
FORM 990, PART VI, SEC B, LINE 12C	CONFLICT OF INTEREST POLICY	ANNUAL STATEMENTS --- EACH TRUSTEE, DIRECTOR, OFFICER AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS OF JHSMH, INC, SHALL ANNUALLY SIGN A STATEMENT, WHICH AFFIRMS THAT SUCH PERSON: -HAS RECEIVED A COPY OF JHSMH'S CONFLICTS OF INTEREST POLICY, -HAS READ AND UNDERSTANDS THIS POLICY, -HAS AGREED TO COMPLY WITH THIS POLICY, AND -UNDERSTANDS THAT THE JHSMH EXEMPT ENTITIES ARE CHARITABLE ORGANIZATIONS AND THAT IN ORDER TO MAINTAIN THEIR FEDERAL TAX EXEMPTIONS THEY MUST ENGAGE PRIMARILY IN ACTIVITIES THAT ACCOMPLISH ONE OR MORE OF THEIR TAX-EXEMPT PURPOSES. ANNUAL QUESTIONNAIRE --- EACH TRUSTEE, DIRECTOR, OFFICER AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS OF JHSMH, INC. AND KEY EMPLOYEE OF JHSMH, SHALL ANNUALLY COMPLETE A CONFLICTS OF INTEREST QUESTIONNAIRE. COMPLETION OF THE ANNUAL QUESTIONNAIRE IS COORDINATED BY GENERAL COUNSEL AND JHSMH'S CORPORATE COMPLIANCE OFFICER. PERIODIC REVIEWS --- TO ENSURE THAT EACH OF THE JHSMH EXEMPT ENTITIES OPERATES IN A MANNER CONSISTENT WITH ITS CHARITABLE PURPOSES AND THAT IT DOES NOT ENGAGE IN ACTIVITIES THAT COULD JEOPARDIZE ITS STATUS AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX, PERIODIC REVIEWS SHALL BE CONDUCTED. THE PERIODIC REVIEWS SHALL, AT A MINIMUM, INCLUDE THE FOLLOWING SUBJECTS: -WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE AND ARE THE RESULT OF ARM'S-LENGTH BARGAINING. -WHETHER ACQUISITIONS OF PHYSICIAN PRACTICES AND OTHER PROVIDER SERVICES RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT. -WHETHER PARTNERSHIP AND JOINT VENTURE ARRANGEMENTS AND ARRANGEMENTS WITH MANAGEMENT SERVICE ORGANIZATIONS AND PHYSICIAN HOSPITAL ORGANIZATIONS CONFORM TO WRITTEN POLICIES, ARE PROPERLY RECORDED, REFLECT REASONABLE PAYMENTS FOR GOODS AND SERVICES, FURTHER SUCH JHSMH EXEMPT ENTITY'S CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT. -WHETHER AGREEMENTS TO PROVIDE HEALTH CARE AND AGREEMENTS WITH OTHER HEALTH CARE PROVIDERS, EMPLOYEES, AND THIRD PARTY PAYORS FURTHER SUCH JHSMH EXEMPT ENTITY'S CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT. IN CONDUCTING SUCH PERIODIC REVIEWS, A JHSMH EXEMPT ENTITY MAY, BUT NEED NOT, USE OUTSIDE ADVISORS. IF OUTSIDE EXPERTS ARE USED, THEIR USE SHALL NOT RELIEVE THE GOVERNING BOARD OF ITS RESPONSIBILITY FOR ENSURING THAT PERIODIC REVIEWS ARE CONDUCTED.
FORM 990, PART VI, SEC B, LINE 15B	PROCESS TO ESTABLISH COMPENSATION OF OTHER EMPLOYEES	THE FOLLOWING REVIEW AND APPROVAL PROCESS IS USED BY JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC. (JHSMH) FOR MOST DISQUALIFIED PERSONS, WHICH INCLUDES ALL OFFICERS AND KEY EMPLOYEES.

<table>
<tr><th>Return Reference</th><th>Identifier</th><th>Explanation</th></tr>
<tr><td></td><td></td><td>THE MANAGEMENT REVIEW COMMITTEE IS RESPONSIBLE FOR REVIEW AND APPROVAL OF MANAGEMENT COMPENSATION. THE FULL COMMITTEE ADDRESSED THE OVERALL COMPENSATION PHILOSOPHY AND HOW THE ORGANIZATION'S GOALS CAN BE FURTHERED BY THE STRUCTURE OF COMPENSATION. THE INDEPENDENT MANAGEMENT REVIEW COMMITTEE AND ALL INDEPENDENT MEMBERS OF THE FULL BOARD APPROVED MAXIMUM COMPENSATION LEVELS FOR ALL DISQUALIFIED PERSONS. NON-INDEPENDENT DIRECTORS DID NOT PARTICIPATE IN THE DISCUSSION OR VOTE ON COMPENSATION LEVELS FOR INDIVIDUALS.

THE MANAGEMENT REVIEW COMMITTEE RETAINED AN OUTSIDE COMPENSATION CONSULTANT FROM A NATIONAL FIRM TO ADVISE IT REGARDING REASONABLE COMPENSATION LEVELS, AND RELIED ON THE CONSULTANT'S OPINION THAT COMPENSATION LEVELS ARE REASONABLE.

THE COMMITTEE RECEIVES A MARKET REVIEW ON EACH DISQUALIFIED PERSON FROM THE COMPENSATION CONSULTANT. THE MANAGEMENT REVIEW COMMITTEE APPROVED THE PEER GROUP OF SIMILAR ENTITLES USED TO MEASURE COMPARABLE COMPENSATION LEVELS. THE MANAGEMENT REVIEW COMMITTEE FOLLOWS THE PROCESS NECESSARY TO OBTAIN THE REBUTTABLE PRESUMPTION THAT COMPENSATION LEVELS ARE REASONABLE, INCLUDING CONTEMPORANEOUS DOCUMENTATION OF DECISIONS.</td></tr>
<tr><td>FORM 990, PART VI, SEC C, LINE 19</td><td>REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC</td><td>JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC. DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY OR FINANCIAL STATEMENTS AVAILABLE TO THE GENERAL PUBLIC.</td></tr>
<tr><td>FORM 990, PART IX, LINE 11G</td><td>OTHER EXPENSES</td><td>
<table>
<tr><th>(a) Description</th><th>(b) Total Expenses</th><th>(c) Program Service Expenses</th><th>(d) Management and General Expenses</th><th>(e) Fundraising Expenses</th></tr>
<tr><td>PHYSICIAN SERVICES</td><td>12,075,448</td><td>12,075,448</td><td></td><td></td></tr>
<tr><td>CLINICAL ENGINEERING</td><td>10,588,100</td><td>10,588,100</td><td></td><td></td></tr>
<tr><td>FOOD SERVICES</td><td>7,036,284</td><td></td><td>7,036,284</td><td></td></tr>
<tr><td>LABORATORY</td><td>1,907,392</td><td>1,907,392</td><td></td><td></td></tr>
<tr><td>OTHER CONTRACTED SERVICES</td><td>97,982,040</td><td>66,644,660</td><td>31,064,693</td><td>272,687</td></tr>
</table>
</td></tr>
<tr><td>FORM 990 , PART XI, LINE 9</td><td>OTHER CHANGES IN NET ASSETS OR FUND BALANCES</td><td>
<table>
<tr><th>(a) Description</th><th>(b) Amount</th></tr>
<tr><td>PENSION ADJUSTMENT</td><td>- 4,760,000</td></tr>
<tr><td>CHANGE IN NONCONTROLLING INTEREST</td><td>- 1,509,433</td></tr>
<tr><td>OTHER CHANGES IN NET ASSETS</td><td>- 633,611</td></tr>
<tr><td>PRIOR PERIOD ADJUSTMENT VNA</td><td>- 1,104,297</td></tr>
</table>
</td></tr>
</table>

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
JEWISH HOSPITAL & ST. MARY'S HEALTHCARE, INC

Employer identification number
[redacted]

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) JH AMUBLATORY IMAGING, LLC (20-3301174) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	MEDICAL SERVICES	KY	0	0	N/A
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) ALEGENT CREIGHTON CLINIC (47-0765154) 12809 W DODGE RD, OMAHA, NE 68154	HEALTHCARE	NE	501(C)(3)	3	ACH	✓	
(2) ALEGENT CREIGHTON HEALTH (47-0757164) 12809 W DODGE RD, OMAHA, NE 68154	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(3) ALEGENT CREIGHTON HEALTH FOUNDATION (47-0648586) 12809 W DODGE RD, OMAHA, NE 68154	FUNDRAISING	NE	501(C)(3)	7	ACH	✓	
(4) ALEGENT HEALTH - BERGAN MERCY HEALTH SYSTEM (47-0484764) 7500 MERCY RD, OMAHA, NE 68124	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(5) ALEGENT HEALTH - COMMUNITY MEMORIAL HOSPITAL OF MISSOURI VALLEY, IA (42-0776568) 631 N 8TH ST, MISSOURI VALLEY, IA 51555	HEALTHCARE	IA	501(C)(3)	3	CHI NEBRASKA	✓	
(6) ALEGENT HEALTH - IMMANUEL MEDICAL CENTER (47-0376615) 6901 N 72ND ST, OMAHA, NE 68122	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(7) ALEGENT HEALTH - MEMORIAL HOSPITAL SCHUYLER (47-0399853) 104 W 17TH ST, SCHUYLER, NE 68661	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	

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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) See Statement												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) ALEGENT HEALTH/CREIGHTON ST. JOSEPH MANAGED CARE SERVICES, INC. (47-0802396) 12809 WEST DODGE RD, OMAHA, NE 68154	MANAGED CARE	NE	CHI NEBRASKA	C CORPORATION	5,312,313	4,520,865	100	✓	
(2) ALL SAINTS INSURANCE COMPANY SPC, LTD PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001,	INSURANCE	CJ	CHI	C CORPORATION	0	43,866,961	100	✓	
(3) ALTERNATIVE INSURANCE MANAGEMENT SERVICE (84-1112049) 3900 OLYMPIC BLVD, STE 400, ERLANGER, KY 41018	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	6,272,746	100	✓	
(4) AMERICAN NURSING CARE, INC. (31-1085414) 1700 EDISON DR, MILFORD, OH 45150	HOME HEALTH	OH	CHS	C CORPORATION	5,118,606	51,920,207	100	✓	
(5) AMERIMED, INC. (31-1158699) 1700 EDISON DR, MILFORD, OH 45150	HOME HEALTH	OH	ANC	C CORPORATION	2,134,392	14,669,219	100	✓	
(6) BC HOLDING COMPANY, INC. (31-1542851) 1850 BLUEGRASS AVE, LOUISVILLE, KY 40215	FITNESS CLUB	KY	JHSMH	C CORPORATION	0	0	100	✓	
(7) CADUCEUS MEDICAL ASSOCIATES, INC. (62-1570736) 2525 DE SALES AVE, CHATTANOOGA, TN 37404	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	100	✓	

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

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

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

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) 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		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part II **Identification of Related Tax-Exempt Organizations** (continued)

(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
(8) ALEGENT HEALTH - MERCY HOSPITAL, CORNING, IOWA (42-0782518) PO BOX 368, CORNING, IA 50841	HEALTHCARE	IA	501(C)(3)	3	CHI NEBRASKA	✓	
(9) ALVERNA APARTMENTS (41-1351177) 300 SE 8TH AVE, LITTLE FALLS, MN 56345	LTERM CARE	MN	501(C)(3)	9	CHI	✓	
(10) APPLETREE COURT (41-1850500) 601 OAK ST, BRECKENRIDGE, MN 56520	SENIOR LIVING	MN	501(C)(3)	9	SFH	✓	
(11) BISHOP DRUMM RETIREMENT CENTER (42-0725196) 1111 6TH AVE, DES MOINES, IA 50314	LTERM CARE	IA	501(C)(3)	9	CHI-IA CORP	✓	
(12) BORNEMANN HEALTHCARE CORPORATION (23-2187242) 2500 BERNVILLE RD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	11 - TYPE I	CHI	✓	
(13) CARRINGTON HEALTH CENTER (45-0227311) 800 N 4TH ST, CARRINGTON, ND 58421	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(14) CATHOLIC HEALTH INITIATIVES (47-0617373) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	9	N/A	✓	
(15) CATHOLIC HEALTH INITIATIVES - COLORADO (84-0405257) 188 INVERNESS DRIVE WEST, STE 500, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	3	CHI	✓	
(16) CATHOLIC HEALTH INITIATIVES - IOWA CORP (42-0680448) 1111 6TH AVE, DES MOINES, IA 50314	HEALTHCARE	IA	501(C)(3)	3	CHI	✓	
(17) CATHOLIC HEALTH INITIATIVES COLORADO FOUNDATION (84-0902211) 6385 CORPORATE DR, STE 301, COLORADO SPRINGS, CO 80919	FUNDRAISING	CO	501(C)(3)	7	CHIC	✓	
(18) CATHOLIC HEALTH INITIATIVES NATIONAL FOUNDATION (27-0930004) 6385 CORPORATE DR, COLORADO SPRINGS, CO 80919	FUNDRAISING	CO	501(C)(3)	11 - TYPE I	CHI	✓	
(19) CATHOLIC HEALTH INITIATIVES VIRTUAL HEALTH SERVICES (46-0992796) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	11 - TYPE I	CHINS	✓	
(20) CENTENNIAL MEDICAL GROUP, INC. (26-3946191) 2700 STEWART PKWY, ROSEBURG, OR 97471	PHYSICIANS	OR	501(C)(3)	9	MMC	✓	
(21) CENTRAL KANSAS MEDICAL CENTER (48-0543724) 3515 BROADWAY, GREAT BEND, KS 67530	SURGERY CENTER	KS	501(C)(3)	3	CHI	✓	
(22) CHI HEALTH CONNECT AT HOME - FARGO (27-1966847) 4816 AMBER VALLEY PKWY S, FARGO, ND 58104	HEALTHCARE	MN	501(C)(3)	9	CHI	✓	
(23) CHI INSTITUTE FOR RESEARCH AND INNOVATION (27-1050565) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	11 - TYPE I	CHI	✓	
(24) CHI KENTUCKY, INC. (20-2741651) 3900 OLYMPIC BLVD, STE 400, ERLANGER, KY 41018	HEALTHCARE	KY	501(C)(3)	11 - TYPE I	CHI	✓	
(25) CHI NATIONAL HOME CARE (45-1261716) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	9	CHI NS	✓	
(26) CHI NATIONAL SERVICES (45-2532084) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	11 - TYPE I	CHI	✓	
(27) CHI NEBRASKA (36-3233121) 6940 O ST, STE 200, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	11 - TYPE III - FI	CHI	✓	
(28) CHI ST. LUKE'S HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER (74-1161938) 6624 FANNIN ST, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLHS	✓	
(29) CHI ST. VINCENT HOSPITAL HOT SPRINGS (71-0236913) 300 WERNER ST, HOT SPRINGS, AR 71913	HEALTHCARE	AR	501(C)(3)	3	CHISVHS	✓	

(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
(30) CHI ST. VINCENT HOT SPRINGS (26-1125064) 300 WERNER ST, HOT SPRINGS, AR 71913	HOLDING CO	AR	501(C)(3)	11 - TYPE II	SVIMC	✓	
(31) CHI ST. VINCENT MEDICAL GROUP HOT SPRINGS (26-1125131) 1 MERCY LANE, STE 201, HOT SPRINGS, AR 71913	HEALTHCARE	AR	501(C)(3)	3	CHISVHS	✓	
(32) COMMUNITY LIMITED CARE DIALYSIS CENTER (23-7419853) 619 OAK ST, ACCOUNTING-3 W, CINCINNATI, OH 45206	HOLDING CO	OH	501(C)(2)		GSH	✓	
(33) COMMUNITY MEMORIAL HOSPITAL MEDICAL SERVICE FOUNDATION (42-1294399) 631 N 8TH ST, MISSOURI VALLEY, IA 51555	FUNDRAISING	IA	501(C)(3)	11 - TYPE I	AH-CMHMV	✓	
(34) CONTINUING CARE HOSPITAL (61-1400619) 150 NORTH EAGLE CREEK DR, LEXINGTON, KY 40509	LT ACH	KY	501(C)(3)	3	SJHS	✓	
(35) COVENANT HOME CARE (23-2028429) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HOME HEALTH	PA	501(C)(3)	11 - TYPE II	CHI NHC	✓	
(36) ENUMCLAW REGIONAL HOSPITAL ASSOCIATION (91-0715805) 1450 BATTERSBY AVE, ENUMCLAW, WA 98022	HEALTHCARE	WA	501(C)(3)	3	FHS	✓	
(37) FLAGET HEALTHCARE, INC. (61-1345363) 4305 NEW SHEPHERDSVILLE RD, BARDSTOWN, KY 40004	HEALTHCARE	KY	501(C)(3)	3	KOH	✓	
(38) FLAGET MEMORIAL HOSPITAL FOUNDATION, INC. (56-2351341) 4305 NEW SHEPHERDSVILLE RD, BARDSTOWN, KY 40004	FUNDRAISING	KY	501(C)(3)	11 - TYPE I	FH	✓	
(39) FRANCISCAN FOUNDATION (91-1145592) 1717 SOUTH J ST, TACOMA, WA 98405	FUNDRAISING	WA	501(C)(3)	9	FHS	✓	
(40) FRANCISCAN HEALTH SYSTEM (91-0564491) 1717 SOUTH J ST, TACOMA, WA 98405	HEALTHCARE	WA	501(C)(3)	3	CHI	✓	
(41) FRANCISCAN HEALTH VENTURES FKA SJMGROUP (43-1882377) TACOMA FNC CTR BLDG, 1145 BROADWAY, TACOMA, WA 98402	PHYSICIANS	MO	501(C)(3)	9	CHI	✓	
(42) FRANCISCAN MEDICAL GROUP (91-1939739) 1313 BROADWAY, STE 200, TACOMA, WA 98402	HEALTHCARE	WA	501(C)(3)	9	FHS	✓	
(43) FRANCISCAN VILLA OF SOUTH MILWAUKEE, INC. (39-1093829) 3601 S CHICAGO AVE, SOUTH MILWAUKEE, WI 53172	HEALTHCARE	WI	501(C)(3)	9	CHI	✓	
(44) GLOBAL HEALTH INITIATIVES (20-1536108) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	MINISTRIES	CO	501(C)(3)	11 - TYPE I	CHI	✓	
(45) GOOD SAMARITAN COLLEGE OF NURSING & HEALTH SCIENCE (31-1778403) 619 OAK ST, ACCOUNTING-3 W, CINCINNATI, OH 45206	EDUCATION	OH	501(C)(3)	2	GSH	✓	
(46) GOOD SAMARITAN FOUNDATION OF CINCINNATI, INC. (31-1206047) 619 OAK ST, ACCOUNTING-3 W, CINCINNATI, OH 45206	FUNDRAISING	OH	501(C)(3)	11 - TYPE I	GSH	✓	
(47) GOOD SAMARITAN HOSPITAL (47-0379755) PO BOX 1990, KEARNEY, NE 68848	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(48) GOOD SAMARITAN HOSPITAL FOUNDATION (47-0659443) 111 W 31ST ST, KEARNEY, NE 68847	FUNDRAISING	NE	501(C)(3)	7	GSH	✓	
(49) GOOD SAMARITAN HOSPITAL FOUNDATION - DAYTON (23-7296923) 110 N MAIN ST, STE 500, DAYTON, OH 45402	FUNDRAISING	OH	501(C)(3)	7	SHP	✓	
(50) HARRISON MEDICAL CENTER (91-0565546) 2520 CHERRY AVE, BREMERTON, WA 98310	HEALTHCARE	WA	501(C)(3)	3	FHS	✓	
(51) HARRISON MEDICAL CENTER FOUNDATION (91-1197626) 2520 CHERRY AVE, BREMERTON, WA 98310	FUNDRAISING	WA	501(C)(3)	7	HMC	✓	
(52) HEALTH S.E.T. (84-1102943) 2420 W 26TH AVE, STE 460D, DENVER, CO 80211	LOW INC CARE	CO	501(C)(3)	7	CHIC	✓	
(53) HEALTHCARE AND WELLNESS FOUNDATION (76-0761782) 2400 ST. FRANCIS DR, BRECKENRIDGE, MN 56520	FUNDRAISING	MN	501(C)(3)	11 - TYPE I	SFMC	✓	

(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
(54) HIGHLINE MEDICAL CENTER (91-0712166) 16251 SYLVESTER RD SW, BURIEN, WA 98166	HEALTHCARE	WA	501(C)(3)	3	FHS	✓	
(55) HOUSE OF MERCY (42-1323808) 1111 6TH AVE, DES MOINES, IA 50314	SHELTER	IA	501(C)(3)	7	CHI-IA CORP	✓	
(56) JEWISH HOSPITAL AND ST. MARY'S HEALTHCARE, INC. (61-1029768) 250 E. LIBERTY ST., STE. 500, LOUISVILLE, KY 40202	HEALTHCARE	KY	501(C)(3)	3	KOH	✓	
(57) KENTUCKYONE HEALTH MEDICAL GROUP, INC. (61-1352729) 250 E. LIBERTY ST., STE. 500, LOUISVILLE, KY 40202	HEALTHCARE	KY	501(C)(3)	9	JHSMH	✓	
(58) KENTUCKYONE HEALTH, INC. (61-1029769) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	HEALTHCARE	KY	501(C)(3)	9	CHI	✓	
(59) LAKEWOOD HEALTH CENTER (41-0758434) 600 MAIN AVE S, BAUDETTE, MN 56623	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(60) LINUS OAKES, INC. (93-0821381) 2700 STEWART PKWY, ROSEBURG, OR 97471	SENIOR LIVING	OR	501(C)(3)	9	MMC	✓	
(61) LISBON AREA HEALTH SERVICES (82-0558836) 905 MAIN ST, LISBON, ND 58054	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(62) LUFKIN VISION ACQUISITIONS (82-0563768) PO BOX 1447, LUFKIN, TX 75901	PROPERTY MGMT	TX	501(C)(3)	11 - TYPE III - FI	MHSET	✓	
(63) MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC. (62-1839548) 2525 DE SALES AVE, CHATTANOOGA, TN 37404	FUNDRAISING	TN	501(C)(3)	7	MHCS	✓	
(64) MEMORIAL HEALTH CARE SYSTEM, INC. (62-0532345) 2525 DE SALES AVE, CHATTANOOGA, TN 37404	HEALTHCARE	TN	501(C)(3)	3	CHI	✓	
(65) MEMORIAL HEALTH PARTNERS FOUNDATION, INC. (03-0417049) 5600 BRAINERD RD, STE 500, CHATTANOOGA, TN 37411	HEALTHCARE	TN	501(C)(3)	9	MHCS	✓	
(66) MEMORIAL HEALTH SYSTEM OF EAST TEXAS (75-0755367) PO BOX 1447, LUFKIN, TX 75902	HEALTHCARE	TX	501(C)(3)	3	CHI	✓	
(67) MEMORIAL MEDICAL CENTER - LIVINGSTON (76-0436439) PO BOX 1447, LUFKIN, TX 75902	HEALTHCARE	TX	501(C)(3)	3	MHSET	✓	
(68) MEMORIAL MEDICAL CENTER - SAN AUGUSTINE (75-2663904) PO BOX 1447, LUFKIN, TX 75902	HEALTHCARE	TX	501(C)(3)	3	MHSET	✓	
(69) MEMORIAL MULTISPECIALTY ASSOCIATES (75-2721155) 1201 FRANK AVE, LUFKIN, TX 95904	PHYSICIANS	TX	501(C)(3)	11 - TYPE III - FI	MHSET	✓	
(70) MEMORIAL SPECIALTY HOSPITAL (75-2492741) PO BOX 1447, LUFKIN, TX 95902	HEALTHCARE	TX	501(C)(3)	3	MHSET	✓	
(71) MERCY AUXILIARY OF CENTRAL IOWA (42-6076069) 1111 6TH AVE, DES MOINES, IA 50314	AUXILIARY	IA	501(C)(3)	11 - TYPE I	MF-DM IA	✓	
(72) MERCY CLINICS, INC. (42-1193699) 1111 6TH AVE, DES MOINES, IA 50314	PHYSICIANS	IA	501(C)(3)	9	CHI-IA CORP	✓	
(73) MERCY COLLEGE OF HEALTH SCIENCES (42-1511682) 1111 6TH AVE, DES MOINES, IA 50314	EDUCATION	IA	501(C)(3)	2	CHI-IA CORP	✓	
(74) MERCY FOUNDATION OF DES MOINES, IA (23-7358794) 1111 6TH AVE, DES MOINES, IA 50314	FUNDRAISING	IA	501(C)(3)	7	CHI-IA CORP	✓	
(75) MERCY FOUNDATION, INC. (93-6088946) 2700 STEWART PKWY, ROSEBURG, OR 97471	FUNDRAISING	OR	501(C)(3)	7	MMC	✓	
(76) MERCY HEALTH CARE FOUNDATION (42-1461064) PO BOX 368, CORNING, IA 50841	FUNDRAISING	IA	501(C)(3)	11 - TYPE I	AHMH-CORNING	✓	
(77) MERCY HEALTHCARE FOUNDATION (45-0435338) 570 CHAUTAUQUA BLVD, VALLEY CITY, ND 58072	FUNDRAISING	ND	501(C)(3)	11 - TYPE III - FI	MHVC	✓	
(78) MERCY HOSPITAL FOUNDATION, COUNCIL BLUFFS (42-1178204) 800 MERCY DR, COUNCIL BLUFFS, IA 51503	FUNDRAISING	IA	501(C)(3)	11 - TYPE I	AHBMHS	✓	

(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
(79) MERCY HOSPITAL OF DEVILS LAKE (45-0227012) 1031 7TH ST NE, DEVILS LAKE, ND 58301	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(80) MERCY HOSPITAL OF DEVILS LAKE FOUNDATION (35-2367360) 1031 7TH ST NE, DEVILS LAKE, ND 58301	FUNDRAISING	ND	501(C)(3)	7	MHDL	✓	
(81) MERCY HOSPITAL OF VALLEY CITY (45-0226553) 570 CHAUTAUQUA BLVD, VALLEY CITY, ND 58072	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(82) MERCY MEDICAL CENTER (45-0231183) 1301 15TH AVE WEST, WILLISTON, ND 58801	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(83) MERCY MEDICAL CENTER - CENTERVILLE (42-0680308) ONE ST. JOSEPH'S DRIVE, CENTERVILLE, IA 52544	HEALTHCARE	IA	501(C)(3)	3	CHI-IA CORP	✓	
(84) MERCY MEDICAL CENTER, INC. (93-0386868) 2700 STEWART PKWY, ROSEBURG, OR 97471	HEALTHCARE	OR	501(C)(3)	3	CHI	✓	
(85) MERCY MEDICAL FOUNDATION (45-0381803) 1301 15TH AVE WEST, WILLISTON, ND 58801	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	MMC	✓	
(86) MERCY PROFESSIONAL PRACTICE ASSOCIATES, INC. (42-1470935) 1111 6TH AVE, DES MOINES, IA 50314	PHYSICIANS	IA	501(C)(3)	9	CHI-IA CORP	✓	
(87) NEBRASKA HEART HOSPITAL (39-2031968) 7500 S 91ST ST, LINCOLN, NE 68526	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(88) OAKES COMMUNITY HOSPITAL (45-0231675) 1200 N 7TH ST, OAKES, ND 58474	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(89) OAKES COMMUNITY HOSPITAL FOUNDATION (71-0966606) 1200 N 7TH ST, OAKES, ND 58474	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	OCH	✓	
(90) PINEYWOODS MEDICAL DEVELOPMENT CORP (75-2493116) PO BOX 1447, LUFKIN, TX 75902	PROPERTY MGMT	TX	501(C)(3)	11 - TYPE III - FI	MHSET	✓	
(91) PUEBLO STEPUP (84-1234295) 1925 E ORMAN AVE, STE G52, PUEBLO, CO 81004	COMMUNITY	CO	501(C)(3)	7	CHIC	✓	
(92) REGIONAL HOSPITAL FOR RESPIRATORY AND COMPLEX CARE (91-1170040) 12844 MILITARY RD S, TUKWILA, WA 98168	HEALTHCARE	WA	501(C)(3)	3	FHS	✓	
(93) S.E.T. OF COLORADO SPRINGS, INC. (84-1183335) 2864 S CIRCLE DR, STE 450, COLORADO SPRINGS, CO 80906	LTERM CARE	CO	501(C)(3)	7	CHIC	✓	
(94) SAINT CLARE'S COMMUNITY CARE, INC. (22-2876836) 25 POCONO RD, DENVILLE, NJ 07834	HEALTHCARE	NJ	501(C)(3)	11 - TYPE II	SCHS	✓	
(95) SAINT CLARE'S FOUNDATION, INC. (22-2502997) 25 POCONO RD, DENVILLE, NJ 07834	FUNDRAISING	NJ	501(C)(3)	7	SCHS	✓	
(96) SAINT CLARE'S HEALTH SERVICES, INC. (22-3639733) 25 POCONO RD, DENVILLE, NJ 07834	MANAGEMENT	NJ	501(C)(3)	11 - TYPE II	CHI	✓	
(97) SAINT CLARE'S HOSPITAL, INC. (22-3319886) 25 POCONO RD, DENVILLE, NJ 07834	HEALTHCARE	NJ	501(C)(3)	3	SCHS	✓	
(98) SAINT ELIZABETH FOUNDATION (47-0625523) 555 S 70TH ST, LINCOLN, NE 68510	FUNDRAISING	NE	501(C)(3)	7	SERMC	✓	
(99) SAINT ELIZABETH HEALTH SERVICES (36-3233120) 555 S 70TH ST, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	3	SERMC	✓	
(100) SAINT ELIZABETH REGIONAL MEDICAL CENTER (47-0379836) 555 S 70TH ST, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(101) SAINT FRANCIS MEDICAL CENTER (47-0376601) 2620 W FAIDLEY, GRAND ISLAND, NE 68803	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(102) SAINT FRANCIS MEDICAL CENTER FOUNDATION (47-0630267) PO BOX 9804, GRAND ISLAND, NE 68802	FUNDRAISING	NE	501(C)(3)	7	SFMC	✓	
(103) SAINT JOSEPH BEREA HOSPITAL FOUNDATION, INC. (26-0152877)	FUNDRAISING	KY	501(C)(3)	7	SJHS	✓	

(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
305 ESTILL ST, BEREA, KY 40403							
(104) SAINT JOSEPH HEALTH SYSTEM, INC. (61-1334601) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	HEALTHCARE	KY	501(C)(3)	3	KOH	✓	
(105) SAINT JOSEPH HOSPITAL FOUNDATION, INC. (61-1159649) ONE SAINT JOSEPH DRIVE, LEXINGTON, KY 40504	FUNDRAISING	KY	501(C)(3)	11 - TYPE I	SJHS	✓	
(106) SAINT JOSEPH LONDON FOUNDATION, INC. (26-0438748) 1001 SAINT JOSEPH LANE, LONDON, KY 40741	FUNDRAISING	KY	501(C)(3)	7	SJHS	✓	
(107) SAINT JOSEPH MEDICAL FOUNDATION, INC. (31-1539059) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	PHYSICIANS	KY	501(C)(3)	3	SJHS	✓	
(108) SAINT JOSEPH MOUNT STERLING FOUNDATION, INC. (27-2884584) 225 FALCON DR, MOUNT STERLING, KY 40353	FUNDRAISING	KY	501(C)(3)	7	SJHS	✓	
(109) SAINT JOSEPH'S HOSPITAL FOUNDATION (36-3418207) 30 WEST 7TH ST, DICKINSON, ND 58601	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	SJHHC	✓	
(110) SAMARITAN BEHAVIORAL HEALTH, INC. (02-0633634) 601 S EDWIN C MOSES BLVD, DAYTON, OH 45417	HEALTHCARE	OH	501(C)(3)	7	SHP	✓	
(111) SAMARITAN HEALTH PARTNERS (31-1107411) 110 N MAIN ST, STE 500, DAYTON, OH 45402	HEALTHCARE	OH	501(C)(3)	11 - TYPE I	CHI	✓	
(112) SCHUYLER MEMORIAL HOSPITAL FOUNDATION, INC. (36-3630014) 104 W 17TH ST, SCHUYLER, NE 68661	FUNDRAISING	NE	501(C)(3)	11 - TYPE I	AHMHS	✓	
(113) SJRMC, JOPLIN MISSOURI (44-0545809) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	MO	501(C)(3)	3	CHI	✓	
(114) SL AUGUSTA CORP (76-0226623) PO BOX 20269, HOUSTON, TX 77225	TITLE HOLDING	TX	501(C)(2)		SLPC	✓	
(115) ST. ANTHONY HOSPITAL (93-0391614) 1601 SE COURT AVE, PENDLETON, OR 97801	HEALTHCARE	OR	501(C)(3)	3	CHI	✓	
(116) ST. ANTHONY HOSPITAL FOUNDATION (93-0992727) 1601 SE COURT AVE, PENDLETON, OR 97801	FUNDRAISING	OR	501(C)(3)	11 - TYPE I	SAH	✓	
(117) ST. ANTHONY'S HOSPITAL ASSOCIATION (71-0245507) FOUR HOSPITAL DR, MORRILTON, AR 72110	HEALTHCARE	AR	501(C)(3)	3	SVIMC	✓	
(118) ST. CATHERINE HOSPITAL (48-0543721) 401 EAST SPRUCE ST, GARDEN CITY, KS 67846	HEALTHCARE	KS	501(C)(3)	3	CHI	✓	
(119) ST. CATHERINE HOSPITAL DEVELOPMENT FOUNDATION (20-0598702) 401 EAST SPRUCE ST, GARDEN CITY, KS 67846	FUNDRAISING	KS	501(C)(3)	11 - TYPE I	SCH	✓	
(120) ST. DOMINIC OF ONTARIO, OREGON (93-0433692) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	OR	501(C)(4)		CHI	✓	
(121) ST. FRANCIS HOME (41-0729978) 2400 ST. FRANCIS DR, BRECKENRIDGE, MN 56520	LTERM CARE	MN	501(C)(3)	9	CHI	✓	
(122) ST. FRANCIS LIFE CARE CORPORATION (22-2536017) 19 POCONO RD, DENVILLE, NJ 07834	ELDERLY CARE	NJ	501(C)(3)	9	SCHS	✓	
(123) ST. FRANCIS MEDICAL CENTER (41-0695598) 2400 ST. FRANCIS DR, BRECKENRIDGE, MN 56520	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(124) ST. FRANCIS OF BAKER CITY (93-0412495) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	OR	501(C)(3)	3	CHI	✓	
(125) ST. JOSEPH COMMUNITY HEALTH (71-0897107) 1516 5TH ST NW, ALBUQUERQUE, NM 87102	COMMUNITY	NM	501(C)(3)	11 - TYPE I	CHI	✓	
(126) ST. JOSEPH HEALTH MINISTRIES (23-2342997) 1929 LINCOLN HWY E, STE 150, LANCASTER, PA 17602	HEALTHCARE	PA	501(C)(3)	11 - TYPE I	CHI	✓	
(127) ST. JOSEPH MEDICAL CENTER FOUNDATION (23-2649362) 2500 BERNVILLE RD, PO BOX 316, READING, PA 19603	FUNDRAISING	PA	501(C)(3)	11 - TYPE I	SJRHN	✓	

(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
(128) ST. JOSEPH MEDICAL CENTER, INC. (52-0591461) 201 INTERNATIONAL CIRCLE, STE 212, HUNT VALLEY, MD 21030	HEALTHCARE	MD	501(C)(3)	3	CHI	✓	
(129) ST. JOSEPH MEDICAL GROUP (20-8544021) 2500 BERNVILLE RD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	9	BHC	✓	
(130) ST. JOSEPH PHYSICIAN ENTERPRISE, INC. (52-1311775) 201 INTERNATIONAL CIRCLE, STE 212, HUNT VALLEY, MD 21030	PHYSICIANS	MD	501(C)(3)	11 - TYPE I	SJMC	✓	
(131) ST. JOSEPH REGIONAL HEALTH NETWORK (23-1352211) 2500 BERNVILLE RD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	3	CHI	✓	
(132) ST. JOSEPH'S AREA HEALTH SERVICES (41-0695603) 600 PLEASANT AVE, PARK RAPIDS, MN 56470	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(133) ST. JOSEPH'S HOSPITAL AND HEALTH CENTER (45-0226429) 30 WEST 7TH ST, DICKINSON, ND 58601	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(134) ST. LUKE'S COMMUNITY DEVELOPMENT CORPORATION (26-0274448) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	MANAGEMENT	TX	501(C)(3)	11 - TYPE I	SLHS	✓	
(135) ST. LUKE'S COMMUNITY DEVELOPMENT CORPORATION - PMC (27-3733278) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLCDC	✓	
(136) ST. LUKE'S COMMUNITY DEVELOPMENT CORPORATION - SUGAR LAND (26-1947374) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLHS	✓	
(137) ST. LUKE'S COMMUNITY DEVELOPMENT CORPORATION - THE WOODLANDS (26-0335902) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLCDC	✓	
(138) ST. LUKE'S COMMUNITY HEALTH SERVICES (76-0536234) 6624 FANNIN ST, STE 1100, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLHS	✓	
(139) ST. LUKE'S FOUNDATION (45-3811485) 1213 HERMANN DRIVE, STE 855, HOUSTON, TX 77004	FUNDRAISING	TX	501(C)(3)	7	SLHS	✓	
(140) ST. LUKE'S HEALTH SYSTEM CORPORATION (76-0536232) 6624 FANNIN ST, STE 1100, HOUSTON, TX 77030	MANAGEMENT	TX	501(C)(3)	11 - TYPE I	CHI	✓	
(141) ST. LUKE'S HEALTH SYSTEM FOUNDATION (76-0127715) 6624 FANNIN ST, STE 1100, HOUSTON, TX 77030	INVESTMENT MGMT	TX	501(C)(3)	11 - TYPE I	SLHS	✓	
(142) ST. LUKE'S HOSPITAL AT THE VINTAGE (26-3734606) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	HEALTHCARE	TX	501(C)(3)	3	SLHS	✓	
(143) ST. LUKE'S MEDICAL GROUP (76-0458535) 6624 FANNIN ST, HOUSTON, TX 77030	PHYSICIANS	TX	501(C)(3)	3	SLHS	✓	
(144) ST. LUKE'S MEDICAL TOWER CORPORATION (76-0531713) 6624 FANNIN ST, STE 1100, HOUSTON, TX 77030	PROPERTY MGMT	TX	501(C)(3)	11 - TYPE I	CHI-SLH	✓	
(145) ST. LUKE'S PROPERTIES CORPORATION (76-0531716) 6624 FANNIN ST, STE 1100, HOUSTON, TX 77030	PROPERTY MGMT	TX	501(C)(3)	11 - TYPE I	SLHS	✓	
(146) ST. LUKE'S SUGAR LAND PROPERTIES CORPORATION (45-4120549) 6624 FANNIN ST, STE 2505, HOUSTON, TX 77030	PROPERTY MGMT	TX	501(C)(3)	11 - TYPE I	SLCDC-SL	✓	
(147) ST. MARY'S COMMUNITY HOSPITAL (47-0443636) 1314 3RD AVE, NEBRASKA CITY, NE 68410	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(148) ST. MARY'S HOSPITAL FOUNDATION (47-0707604) 1314 3RD AVE, NEBRASKA CITY, NE 68410	FUNDRAISING	NE	501(C)(3)	7	SMCH	✓	
(149) ST. VINCENT FOUNDATION (51-0169537) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	FUNDRAISING	AR	501(C)(3)	11 - TYPE I	SVIMC	✓	
(150) ST. VINCENT INFIRMARY MEDICAL CENTER (71-0236917) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	501(C)(3)	3	CHI	✓	

(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
(151) ST. VINCENT MEDICAL GROUP (71-0830696) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	501(C)(3)	9	SVIMC	✓	
(152) THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OH (31-0537486) 619 OAK ST, ACCOUNTING-3 W, CINCINNATI, OH 45206	HEALTHCARE	OH	501(C)(3)	3	CHI	✓	
(153) THE PHYSICIAN NETWORK (47-0780857) 2000 Q ST, STE 500, LINCOLN, NE 68503	PHYSICIANS	NE	501(C)(3)	11 - TYPE I	CHI NEBRASKA	✓	
(154) TOTAL HEALTHCARE (84-0927232) 188 INVERNESS DRIVE WEST, STE 500, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	3	CHIC	✓	
(155) UNITY FAMILY HEALTHCARE (41-0721642) 815 SE 2ND ST, LITTLE FALLS, MN 56345	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(156) VILLA NAZARETH, INC. (45-0226714) 801 PAGE DR, FARGO, ND 58103	LTERM CARE	ND	501(C)(3)	9	CHI	✓	
(157) VISITING NURSE ASSOCIATION OF ST. CLARE'S, INC. (22-1768334) 191 WOODPORT RD, SPARTA, NJ 07871	HOME HEALTH	NJ	501(C)(3)	9	SCHS	✓	
(158) WOODLANDS DOCTOR GROUP (27-4499340) 17200 ST. LUKE'S WAY, STE 170, THE WOODLANDS, TX 77384	PHYSICIANS	TX	501(C)(3)	9	SLCHS	✓	

Part III Identification of Related Organizations Taxable as a Partnership (continued)

(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	
(1) ALEGENT HEALTH NORTHWEST IMAGING CENTER, LLC (06-1786985) 3606 N 156TH ST, OMAHA, NE 68116	OP DIAGNOSTICS	NE	ACH	RELATED	116,752	776,649		✓	0	✓		51
(2) AUDUBON LAND COMPANY, LLC (84-1513085) 5390 N ACADEMY BLVD, STE 300, COLORADO SPRINGS, CO 80918	REAL ESTATE	CO	CHIC	RELATED	34,991	8,665,388		✓	0		✓	50.1
(3) AVANTAS, LLC (39-2045003) 11128 JOHN GALT BLVD, STE 400, OMAHA, NE 68137	STAFFING OF NURSES	NE	AHBMHS	RELATED	-319,683	4,762,246		✓	-439,535		✓	95
(4) BERGAN MERCY SURGERY CENTER, LLC (20-8671994) 7710 MERCY RD, STE 200, OMAHA, NE 68124	AMBUL SURG CTR	NE	ACH	RELATED	142,085	3,294,472		✓	0		✓	63.94
(5) BERYWOOD OFFICE PROPERTIES, LLC (62-1875199) 400 BERYWOOD TRAIL, CLEVELAND, TN 37312	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		✓	0	✓		63
(6) BLUEGRASS REGIONAL IMAGING CENTER (61-1386736) 1218 SOUTH BRDWAY, STE 310, LEXINGTON, KY 40504	DIAGNOSTIC IMAGING	KY	SJHS	RELATED	308,428	3,317,191		✓	0		✓	65
(7) CATHOLIC HEALTH INITIATIVES PHYSICIAN SERVICES, LLC (46-2945938) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	PRACTICE MGMT SRVC	DE	CHI	RELATED	2,478	4,571,498		✓	0	✓		80
(8) CENTRAL NEBRASKA HOME CARE SERVICES (47-0692112) PO BOX 1146; 4502 N SECOND AVE, KEARNEY, NE 68848	HEALTHCARE SRVC	NE	N/A	RELATED	-195,425	216,945		✓	-77,269	✓		100
(9) CENTRAL NEBRASKA REHAB SERVICE (81-0653461) 620 DIERS AVE, STE 300, GRAND ISLAND, NE 68803	PHYSICAL THERAPY	NE	SFMC	RELATED	2,132,606	3,494,427		✓	0		✓	51
(10) CHI OPERATING INVESTMENT PROGRAM, LP (47-0727942) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INVESTMENTS	CO	CHI	UNRELATED	344,962,532	4,617,413,792		✓	0	✓		92.8
(11) CHIC/AMSURG SURGERY CENTERS, LLC (11-1222333) 188 INVERNESS DRIVE WEST, #500, ENGLEWOOD, CO 80112	SURGERY CENTER	CO	CHIC	RELATED	0	0		✓	0		✓	51
(12) HC SL VINTAGE I, LLC (27-0453767) 18000 W SARAH LANE, STE 250, BROOKFIELD, WI 53045	PROPERTY HOLDING	WI	SL CDC-V	RELATED	1,027,057	105,658,490		✓	0		✓	51
(13) HEALTHCARE SUPPORT SERVICES (72-1546196) PO BOX 9804, GRAND ISLAND, NE 68802	LAUNDRY	NE	N/A	RELATED	98,584	3,190,678		✓	97,006		✓	100
(14) HEARTLAND ONCOLOGY, LLC (22-2333444) 2337 E CRAWFORD ST, SALINA, KS 67401	ONCOLOGY	KS	SCH	RELATED	0	0		✓	0		✓	51
(15) HIGHLINE IMAGING, LLC (20-0460005)	DIAGNOSTIC	WA	HMC	RELATED	375,761	1,784,057		✓	0		✓	80

(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	
275 SW 160TH ST, BURIEN, WA 98166	IMAGING											
(16) LAKESIDE AMBULATORY SURGICAL CENTER, LLC (20-4267902) 17031 LAKESIDE HILLS DR, OMAHA, NE 68130	AMBUL SURG CTR	NE	ACH	RELATED	3,465,880	1,951,221		✓	0		✓	51
(17) LAKESIDE ENDOSCOPY CENTER, LLC (20-5544496) 17001 LAKESIDE HILLS PLZ, STE 201, OMAHA, NE 68130	ENDOSCOPY SRVC	NE	ACH	RELATED	1,455,294	1,013,126		✓	0		✓	52.28
(18) LINCOLN CK LEASING, LLC (26-2496856) 6003 OLD CHENEY RD, LINCOLN, NE 68516	REAL ESTATE	NE	SERMC	RELATED	574,064	425,034		✓	0		✓	53.76
(19) LOUISVILLE S.C., LTD. (06-2119566) 3000 RIVERCHASE GALLERIA, STE 500, BIRMINGHAM, AL 35244	SURGERY CENTER	AL	SCOFL	RELATED	417,359	478,373		✓	0	✓		61.1
(20) NEBRASKA SPINE HOSPITAL, LLC (27-0263191) 6901 N 72ND ST, OMAHA, NE 68122	SPINE HOSPITAL	NE	ACH	RELATED	10,501,730	17,301,869		✓	0		✓	51
(21) NORTH RIVER SURGERY CENTER, LLC (71-0799771) 2209 WILDWOOD AVE, SHERWOOD, AR 72120	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		✓	0		✓	57.45
(22) ORTHOCOLORADO, LLC (37-1577105) 11650 WEST 2ND PLACE, LAKEWOOD, CO 80255	ORTHO HOSPITAL	CO	THC	RELATED	1,846,183	8,411,844		✓	0		✓	60
(23) PENINSULA RADIATION ONCOLOGY, LLC (87-0808610) 315 MLK JR WAY, STE 111, TACOMA, WA 98405	HEALTHCARE SRVC	WA	FHS	RELATED	256,567	3,262,002		✓	0		✓	60
(24) PENRAD IMAGING (84-1072619) 1390 KELLY JOHNSON BLVD, COLORADO SPRINGS, CO 80920	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	3,489,436		✓	0		✓	70
(25) PMC HOSPITAL, LLC (27-3280598) 4600 E SAM HOUSTON PKWY, SOUTH PASADENA, TX 77505	HOSPITAL	TX	SL CDC-PMC	RELATED	1,092,540	20,751,174		✓	0	✓		51
(26) PRAIRIE HEALTH VENTURES, LLC (20-4962103) 421 S 9TH ST, STE 102, LINCOLN, NE 68508	TECH SRVC	NE	AH-IMC	RELATED	1,011,804	5,564,586		✓	68,565	✓		65.75
(27) PREMIER SURGERY CENTER OF LOUISVILLE, L.P. (72-1378216) 3000 RIVERCHASE GALLERIA, STE 500, BIRMINGHAM, AL 35244	SURGERY CENTER	AL	SCA	RELATED	88,900	254,399		✓	0	✓		51
(28) PUEBLO AMBULATORY SURGERY CENTER, LLC (62-1488737) 188 INVERNESS DRIVE WEST, #500, ENGLEWOOD, CO 80112	SURGERY CENTER	CO	CHIC	RELATED	0	0		✓	0		✓	51
(29) SAINT JOSEPH - PAML, LLC (45-2116736) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	MGMT SVCS	KY	SJHS	RELATED	-52,573	93,769		✓	0	✓		62.5
(30) SAINT JOSEPH - SCA HOLDINGS, LLC (45-3801157) 1451 HARRODSBURG RD, LEXINGTON, KY 40503	OP SURGERY	DE	SJHS	RELATED	0	0		✓	0	✓		51
(31) SAINT JOSEPH-ANC HOME CARE SERVICES (26-3330545) 1700 EDISON DR, MILFORD, OH 45150	HOME HEALTH	KY	JH	RELATED	88,608	256,606		✓	0		✓	100

(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	
(32) SCA PREMIER SURGERY CENTER OF LOUISVILLE, LLC (72-1386840) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	SURGERY CENTER	KY	JH	RELATED	42,319	631,595		✓	0	✓		51
(33) ST. FRANCIS LAND COMPANY (26-3134100) 5390 N ACADEMY BLVD, STE 300, COLORADO SPRINGS, CO 80918	REAL ESTATE	CO	CHIC	RELATED	-130,967	13,823,763		✓	0		✓	51
(34) ST. FRANCIS MEDICAL CENTER ASSOCIATES (91-1352698) 1717 SOUTH J ST, TACOMA, WA 98405	MED OFFICE	WA	FHS	RELATED	238,717	19,017,063		✓	0		✓	54.21
(35) ST. LUKE'S DIAGNOSTIC CATH LAB, LLP (71-0959365) 6620 MAIN ST, STE 1520, HOUSTON, TX 77030	DIAGNOSTICS	TX	SLHS HOLDINGS	RELATED	273,448	868,814		✓	0		✓	57.3
(36) ST. LUKE'S HOSPITAL AT THE VINTAGE, LLC (26-3734516) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	HOSPITAL	TX	SLHS	RELATED	-19,253,743	69,158,748		✓	0	✓		51
(37) ST. LUKE'S LAKESIDE HOSPITAL, LLC (30-0427437) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	HOSPITAL	TX	SL CDC-W	RELATED	1,106,628	25,874,619		✓	0	✓		51
(38) ST. LUKE'S THE WOODLANDS SLEEP CENTER, LLC (46-2795726) 6624 FANNIN, STE 800, HOUSTON, TX 77030	DIAGNOSTICS	TX	SLHSH	RELATED	0	0		✓	0	✓		50
(39) SUPERIOR MEDICAL IMAGING, LLC (26-2884555) 5000 NORTH 26TH ST, LINCOLN, NE 68521	OP DIAGNOSTICS	NE	SERMC	RELATED	-200,323	821,112		✓	0	✓		51
(40) SURGERY CENTER OF LEXINGTON, LLC (62-1179539) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	SURGERY CENTER	DE	SJHS	RELATED	-200,318	4,079,584		✓	0	✓		51
(41) SURGERY CENTER OF LOUISVILLE, LLC (62-1179537) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	SURGERY CENTER	KY	JH	RELATED	-15,452	396,101		✓	0	✓		51

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (continued)

(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
(8) CAPTIVE MANAGEMENT INITIATIVES, LTD (98-0663022) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100	✓	
(9) CARMONA-DESOTO BUILDING HORIZONTAL PROPERTY REGIME, INC. (71-0771076) 300 WERNER ST, HOT SPRINGS, AR 71913	HEALTHCARE	AR	CHI-SVHS	C CORPORATION	0	0	100	✓	
(10) CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH (27-2269511) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	RESEARCH	CO	CIRI	TRUST	-2286538	1241259	100	✓	
(11) CGH REALTY COMPANY, INC. (23-2326801) 2500 BERNVILLE RD, READING, PA 19603	REAL ESTATE	PA	SJHM	C CORPORATION	0	0	100	✓	
(12) CHI ST. LUKE'S HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER CONDO ASSOC (45-5079545) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	CONDO ASSOC	TX	CHI-SLHBCM	C CORPORATION	0	0	100	✓	
(13) CLEARRIVER HEALTH (46-4495960) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INSURANCE	TN	PHPSI	C CORPORATION	0	0	100	✓	
(14) COMCARE SERVICES, INC. (84-0904813) 5570 DTC PARKWAY, ENGLEWOOD, CO 80111	INACTIVE	CO	CHIC	C CORPORATION	0	0	100	✓	
(15) CONSOLIDATED HEALTH SERVICES (31-1378212) 1700 EDISON DR, MILFORD, OH 45150	HOME HEALTH	OH	CHI	C CORPORATION	-879467	52379487	100	✓	
(16) DES MOINES MEDICAL CENTER, INC. (42-0837382) 1111 6TH AVE, DES MOINES, IA 50314	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	67314	1064032	92.98	✓	
(17) EAST TEXAS CLINICAL SERVICES, INC. (45-4736213) 2801 VIA FORTUNA, #500, AUSTIN, TX 78746	HEALTHCARE	TX	MHSET	C CORPORATION	632545	16782	100	✓	
(18) FIRST INITIATIVES INSURANCE, LTD (98-0203038) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	INSURANCE	CJ	CHI	C CORPORATION	0	0	100	✓	
(19) FRANCISCAN SERVICES, INC. (23-2487967) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	CHI	C CORPORATION	434854	718254	100	✓	
(20) GOOD SAMARITAN OUTREACH SERVICES (47-0659440) PO BOX 1990, KEARNEY, NE 68848	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-7280	180468	100	✓	
(21) HEALTH SYSTEMS ENTERPRISES, INC. (47-0664558) PO BOX 1990, KEARNEY, NE 68848	MGMT	NE	GSH	C CORPORATION	87278	1377820	100	✓	
(22) HEALTHCARE MGMT SERVICES ORGANIZATION, INC. (91-1865474) 1717 SOUTH J ST, TACOMA, WA 98405	HEALTH ORG.	WA	FHS	C CORPORATION	0	0	100	✓	
(23) HEARTLANDPLAINS HEALTH (46-4368223) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INSURANCE	NE	PHPSI	C CORPORATION	0	0	100	✓	
(24) HIGHLINE MEDICAL GROUP (91-1586438) 15811 AMBAUM BLVD SW, STE 170, BURIEN, WA 98166	MEDICAL SERVICES	WA	HMC	C CORPORATION	-6049147	5689139	100	✓	
(25) MEDQUEST (45-0392137) 1602 WEST 11TH ST, WILLISTON, ND 58801	SALE OF DME	ND	MMC WILLISTON	C CORPORATION	-	1152715	100	✓	
(26) MERCY PARK APARTMENTS, LTD (42-1202422) 1111 6TH AVE, DES MOINES, IA 50314	HOUSING	IA	CHI-IA CORP	C CORPORATION	273525	1937218	100	✓	
(27) MERCY SERVICES CORP (93-0824308) 2700 STEWART PARKWAY, ROSEBURG, OR 97471	RETAIL SALES	OR	MMC	C CORPORATION	0	142337	100	✓	

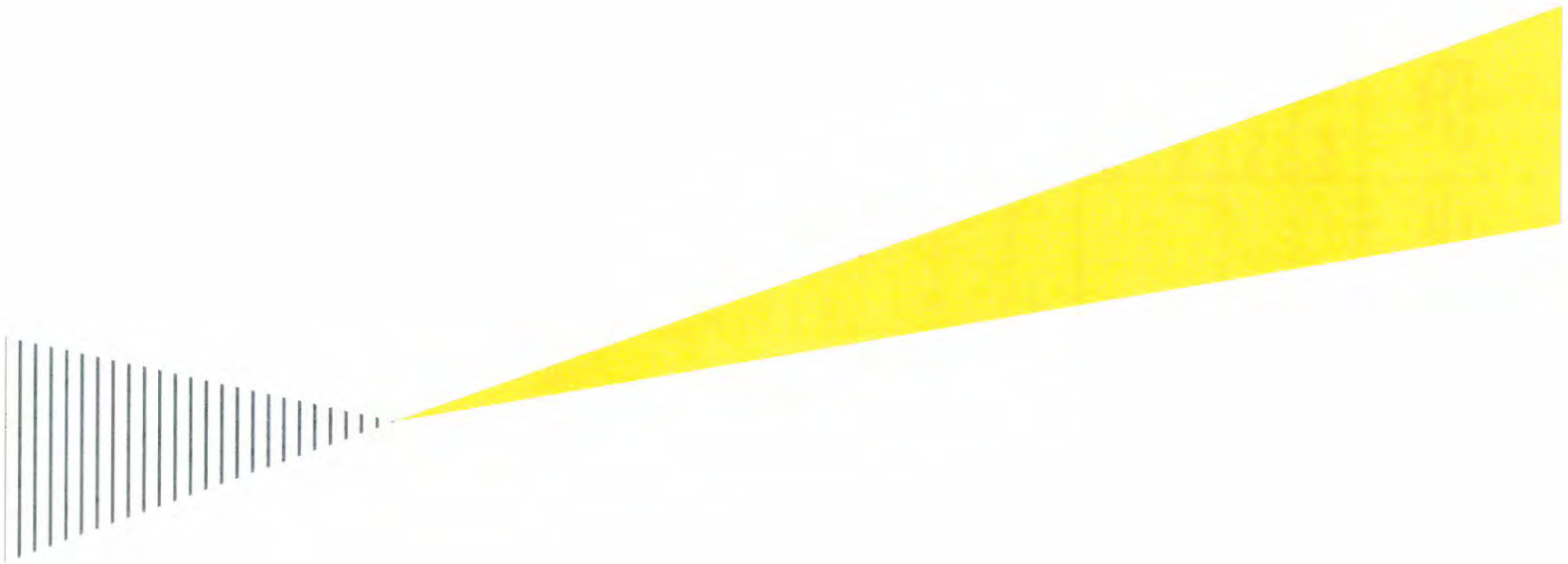
(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(28) MHI CLINICAL SERVICES (46-1967952) 1201 W. FRANK AVE, LUFKIN, TX 75904	HEALTHCARE	TX	MHSET	C CORPORATION	0	0	100	✓	
(29) MOUNTAIN MANAGEMENT SERVICES, INC. (62-1570739) 6028 SHALLOWFORD RD, CHATTANOOGA, TN 37421	MGMT SVC ORG	TN	MHCS	C CORPORATION	96044	6465179	100	✓	
(30) NAZARETH ASSURANCE COMPANY (03-0304831) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	INSURANCE	CJ	CHI	C CORPORATION	0	0	100	✓	
(31) PATIENT TRANSPORT SERVICES, INC. (31-1100798) 1700 EDISON DR, MILFORD, OH 45150	HOME HEALTH	OH	ANC	C CORPORATION	-164340	5488275	100	✓	
(32) PHYSICIAN/HEALTH SYSTEM NETWORK (91-1746721) 1149 MARKET ST., TACOMA, WA 98402	HEALTH ORG.	WA	FHS	C CORPORATION	0	0	100	✓	
(33) PROMINENCE HEALTH PLAN SERVICES, INC. (FKA COLLABHEALTH PLAN SERVICES, INC.) (46-1224037) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	ADMIN SERVICES	CO	PHI	C CORPORATION	-5339325	38272608	100	✓	
(34) PROMINENCE HEALTH, INC. (FKA COLLABHEALTH MANAGED SOLUTIONS, INC.) (46-1222808) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HOLDING CO	CO	CHI	C CORPORATION	0	23806707	100	✓	
(35) QCA HEALTH PLAN, INC. (71-0794605) 12615 CHENAL PARKWAY, STE 300, LITTLE ROCK, AR 72211	INSURANCE	AR	QCHI	C CORPORATION	0	0	100	✓	
(36) QUALCHOICE HOLDINGS, INC. (27-4075520) 12615 CHENAL PARKWAY, STE 300, LITTLE ROCK, AR 72211	HOLDING CO	AR	PHPS	C CORPORATION	0	0	100	✓	
(37) QUALCHOICE LIFE AND HEALTH INSURANCE COMPANY, INC. (71-0386640) 12615 CHENAL PARKWAY, STE 300, LITTLE ROCK, AR 72211	INSURANCE	AR	QCH	C CORPORATION	0	0	100	✓	
(38) RIVERLINK HEALTH (46-4380824) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INSURANCE	OH	PHPS	C CORPORATION	0	0	100	✓	
(39) RIVERLINK HEALTH OF KENTUCKY, INC. (46-4828332) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INSURANCE	KY	PHPS	C CORPORATION	0	0	100	✓	
(40) SAINT CLARE'S PRIMARY CARE, INC. (22-2441202) 66 FORD RD, DENVILLE, NJ 07834	BILLING SERVICES	NJ	SCCC	C CORPORATION	-235604	1361242	100	✓	
(41) SAMARITAN FAMILY CARE, INC. (31-1299450) 40 W FOURTH ST, STE 1700, DAYTON, OH 45402	HEALTHCARE	OH	SHP	C CORPORATION	0	0	100	✓	
(42) SJH SERVICES CORPORATION (23-2307408) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	FSI	C CORPORATION	-197039	3331737	100	✓	
(43) SJL PHYSICIAN MANAGEMENT SERVICES, INC. (27-0164198) 424 LEWIS HARGETT CR, STE 160, LEXINGTON, KY 40503	MGMT	KY	SJHS	C CORPORATION	0	0	100	✓	
(44) SLMT PARKING, INC. (76-0637140) 6624 FANNIN, STE 800, HOUSTON, TX 77030	PARKING	TX	SLHS	C CORPORATION	1117934	13768221	100	✓	
(45) SOUNDPATH HEALTH, INC. (42-1720801) 32129 WEYERHAEUSER WAY S, STE 201, FEDERAL WAY, WA 98001	INSURANCE	WA	PHPS	C CORPORATION	-154741	10976973	62.6	✓	
(46) ST. ANTHONY DEVELOPMENT COMPANY (93-1216943) 1415 SOUTHGATE, PENDLETON, OR 97801	ATHLETIC CLUB	OR	SAH	C CORPORATION	114663	2936102	100	✓	
(47) ST. JOSEPH DEVELOPMENT COMPANY, INC. (91-1480569) 1717 SOUTH J ST, TACOMA, WA 98405	RENTAL	WA	FSI	C CORPORATION	63164	11845439	100	✓	

(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
(48) ST. JOSEPH OFFICE PARK ASSOCIATION (61-1079899) 1401 HARRODSBURG RD, BLDG B70, LEXINGTON, KY 40504	MGMT	KY	SJHS	C CORPORATION	0	882139	85	✓	
(49) ST. LUKE'S 6620 MAIN CONDOMINIUM ASSOCIATION (30-0355517) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	CONDO ASSOC	TX	SLPC	C CORPORATION	0	0	100	✓	
(50) ST. LUKE'S ANESTHESIOLOGY ASSOCIATES (46-1517163) 6624 FANNIN, STE 1100, HOUSTON, TX 77030	MEDICAL CLINIC	TX	CHI-SLH	C CORPORATION	0	0	100	✓	
(51) ST. LUKE'S EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION, INC. (76-0377932) 6720 BERTNER, MC4-262, HOUSTON, TX 77030	PHO	TX	CHI-SLH	C CORPORATION	6	0	60	✓	
(52) ST. LUKE'S HEALTH SYSTEM HOLDINGS, INC. (FKA SLEHS HOLDINGS, INC.) (76-0637138) 6624 FANNIN, STE 800, HOUSTON, TX 77030	HOLDING CO	TX	SLHS	C CORPORATION	1425313	33114103	100	✓	
(53) ST. LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION (30-0355518) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	CONDO ASSOC	TX	SLPC	C CORPORATION	0	0	100	✓	
(54) ST. LUKE'S MEDICAL TOWER CONDOMINIUM ASSOCIATION (76-0298751) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	CONDO ASSOC	TX	SLMTC	C CORPORATION	0	0	100	✓	
(55) ST. VINCENT COMMUNITY HEALTH SERVICES, INC. (71-0710785) TWO ST VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	SVIMC	C CORPORATION	2408638	15225732	100	✓	
(56) STABLEVIEW HEALTH, INC. (46-4373713) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INSURANCE	KY	PHPS	C CORPORATION	0	0	100	✓	
(57) SUGAR LAND DOCTOR GROUP (45-4270163) 1317 LAKE POINTE PARKWAY, SUGAR LAND, TX 77478	MEDICAL CLINIC	TX	SLCDC-SL	C CORPORATION	0	0	100	✓	
(58) THE TEXAS HEART INSTITUTE AT ST. LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY BUILDING COMDOMINIUM ASSOCIATION (90-0064009) 6624 FANNIN, STE 2505, HOUSTON, TX 77030	CONDO ASSOC	TX	CHI-SLH	C CORPORATION	0	0	100	✓	
(59) TOWSON MANAGEMENT, INC. (52-1710750) 7601 OSLER DR, TOWSON, MD 21204	MGMT SERVICES	MD	FSI	C CORPORATION	516457	197196	100	✓	

Consolidated Financial Statements and Reports on Federal Award Programs

Catholic Health Initiatives
Year Ended June 30, 2014
With Reports of Independent Auditors

Ernst & Young LLP



EY
Building a better working world

Ernst & Young LLP
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370 17th Street
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Fax: +1 720 931 4444
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Building a better working world

Report of Independent Auditors

The Board of Stewardship Trustees
Catholic Health Initiatives

We have audited the accompanying consolidated financial statements of Catholic Health Initiatives, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Catholic Health Initiatives

Consolidated Financial Statements and
Reports on Federal Award Programs

Year Ended June 30, 2014

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Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Catholic Health Initiatives at June 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September 17, 2014, on our consideration of Catholic Health Initiatives' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Health Initiatives' internal control over financial reporting and compliance.

Ernst & Young LLP

September 17, 2014

Catholic Health Initiatives

Consolidated Balance Sheets
(In Thousands)

	June 30	
	2014	**2013**
Assets		
Current assets:		
Cash and equivalents	**$ 1,042,748**	$ 609,226
Net patient accounts receivable, less allowances for bad debt of $924,395 and $858,394 at 2014 and 2013, respectively	**1,997,468**	1,755,348
Other accounts receivable	**286,673**	197,917
Current portion of investments and assets limited as to use	**24,732**	11,697
Inventories	**271,664**	247,720
Assets held for sale	**202,066**	215,777
Prepaid and other	**197,668**	137,776
Total current assets	**4,023,019**	3,175,461
Investments and assets limited as to use:		
Internally designated for capital and other funds	**5,310,967**	5,452,023
Mission and ministry fund	**137,099**	121,109
Capital resource pool	**515,338**	416,938
Held by trustees	**53,574**	16,726
Held for insurance purposes	**828,078**	825,885
Restricted by donors	**296,472**	266,325
Total investments and assets limited as to use	**7,141,528**	7,099,006
Property and equipment, net	**8,942,520**	7,786,240
Deferred financing costs	**43,074**	36,557
Investments in unconsolidated organizations	**608,088**	416,816
Intangible assets and goodwill, net	**553,462**	364,751
Notes receivable and other	**500,886**	430,888
Total assets	**$ 21,812,577**	$ 19,309,719

	June 30	
	2014	**2013**
Liabilities and net assets		
Current liabilities:		
Compensation and benefits	**$ 679,575**	$ 600,837
Third-party liabilities, net	**123,804**	110,571
Accounts payable and accrued expenses	**1,446,233**	1,066,930
Liabilities held for sale	**104,117**	91,412
Variable-rate debt with self liquidity	**521,455**	321,455
Commercial paper and current portion of debt	**711,408**	749,617
Total current liabilities	**3,586,592**	2,940,822
Pension liability	**496,358**	472,852
Self-insured reserves and claims	**634,718**	616,652
Other liabilities	**831,615**	698,283
Long-term debt	**7,146,399**	6,334,985
Total liabilities	**12,695,682**	11,063,594
Net assets:		
Net assets attributable to CHI	**8,289,188**	7,769,310
Net assets attributable to noncontrolling interests	**469,296**	175,663
Unrestricted	**8,758,484**	7,944,973
Temporarily restricted	**265,639**	214,524
Permanently restricted	**92,772**	86,628
Total net assets	**9,116,895**	8,246,125
Total liabilities and net assets	**$ 21,812,577**	$ 19,309,719

See accompanying notes.

Catholic Health Initiatives

Consolidated Statements of Operations
(In Thousands)

	Year Ended June 30	
	2014	**2013**
Revenues:		
Net patient services revenues before provision for doubtful accounts	**$ 13,372,955**	$ 10,714,455
Provision for doubtful accounts	**(965,711)**	(821,465)
Net patient services revenues	**12,407,244**	9,892,990
Nonpatient:		
Donations	**32,366**	31,089
Changes in equity of unconsolidated organizations	**26,922**	19,056
Investment income used for operations	**101,874**	66,529
Gains on business combinations	**421,955**	76,425
Hospital nonpatient revenues	**294,021**	209,413
Insurance premium revenues	**171,465**	50,503
Other	**432,826**	362,220
Total nonpatient revenues	**1,481,429**	815,235
Total operating revenues	**13,888,673**	10,708,225
Expenses:		
Salaries and wages	**5,554,984**	4,424,404
Employee benefits	**1,072,850**	970,824
Purchased services, medical professional fees, consulting and legal	**1,945,579**	1,361,778
Supplies	**2,346,879**	1,832,984
Utilities	**197,479**	152,979
Rentals, leases, maintenance and insurance	**875,833**	616,683
Depreciation and amortization	**698,772**	555,064
Interest	**235,440**	164,353
Other	**857,334**	624,756
Total operating expenses before restructuring, impairment and other losses	**13,785,150**	10,703,825
Income from operations before restructuring, impairment and other losses	**103,523**	4,400
Restructuring, impairment, and other losses	**117,514**	59,343
Loss from operations	**(13,991)**	(54,943)
Nonoperating gains (losses):		
Investment income, net	**748,374**	488,824
Loss on defeasance of bonds	**(5,625)**	(17,998)
Realized and unrealized (losses) gains on interest rate swaps	**(39,424)**	65,843
Other nonoperating (losses) gains	**(55,367)**	7,977
Total nonoperating gains	**647,958**	544,646
Excess of revenues over expenses	**633,967**	489,703
Deficit of revenues over expenses attributable to noncontrolling interest	**5,686**	37
Excess of revenues over expenses attributable to CHI	**$ 639,653**	$ 489,740

See accompanying notes.

Catholic Health Initiatives

Consolidated Statements of Changes in Net Assets

(In Thousands)

	Unrestricted Net Assets					
	Attributable to CHI	Attributable to Noncontrolling Interests	Total	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances, July 1, 2012	$ 6,922,466	$ 180,863	$ 7,103,329	$ 136,821	$ 68,033	$ 7,308,183
Excess of revenues over expenses	489,740	(37)	489,703	–	–	489,703
Net loss from discontinued operations	(108,594)	–	(108,594)	–	–	(108,594)
Decrease in pension funded status	483,468	2,082	485,550	–	–	485,550
Temporarily and permanently restricted contributions	–	–	–	33,056	(1,554)	31,502
Net assets released from restriction for capital	15,791	–	15,791	(15,791)	–	–
Net assets released from restriction for operations	–	–	–	(15,728)	–	(15,728)
Investment (loss) income	(45)	–	(45)	5,393	1,280	6,628
Temporarily and permanently restricted assets from acquisitions	–	–	–	74,253	19,171	93,424
Other changes in net assets	(33,516)	(7,245)	(40,761)	(3,480)	(302)	(44,543)
Net increase (decrease) in net assets	846,844	(5,200)	841,644	77,703	18,595	937,942
Balances, June 30, 2013	**7,769,310**	**175,663**	**7,944,973**	**214,524**	**86,628**	**8,246,125**
Excess of revenues over expenses	**639,653**	**(5,686)**	**633,967**	–	–	**633,967**
Net loss from discontinued operations	**(14,768)**	–	**(14,768)**	–	–	**(14,768)**
Increase in pension funded status	**(47,282)**	**(809)**	**(48,091)**	–	–	**(48,091)**
Temporarily and permanently restricted contributions	–	–	–	**50,957**	**523**	**51,480**
Net assets released from restriction for capital	**20,776**	–	**20,776**	**(20,776)**	–	–
Net assets released from restriction for operations	–	–	–	**(17,887)**	–	**(17,887)**
Investment (loss) income	**(40)**	–	**(40)**	**14,701**	**2,218**	**16,879**
Temporarily and permanently restricted assets from acquisitions	–	–	–	**24,197**	**2,003**	**26,200**
Noncontrolling interest issued	–	**286,125**	**286,125**	**12,600**	–	**298,725**
Other changes in net assets	**(78,461)**	**14,003**	**(64,458)**	**(12,677)**	**1,400**	**(75,735)**
Net increase in net assets	**519,878**	**293,633**	**813,511**	**51,115**	**6,144**	**870,770**
Balances, June 30, 2014	**$ 8,289,188**	**$ 469,296**	**$ 8,758,484**	**$ 265,639**	**$ 92,772**	**$ 9,116,895**

See accompanying notes.

Catholic Health Initiatives

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2014	**2013**
Operating activities		
Increase in net assets	**$ 870,770**	$ 937,942
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	**698,772**	555,064
Provision for bad debts	**965,711**	821,465
Changes in equity of unconsolidated organizations	**(26,922)**	(19,056)
Net gains on business combinations	**(421,955)**	(76,425)
Net gains on sales of facilities and investments in unconsolidated organizations	**(17,116)**	(9,544)
Noncash operating expenses related to restructuring, impairment and other losses	**85,709**	4,872
Loss on defeasance of bonds	**5,625**	17,998
Increase in fair value of interest rate swaps	**(10,200)**	(98,799)
Decrease in unfunded pension liability	**(1,488)**	(484,049)
Net changes in current assets and liabilities:		
Net patient and other accounts receivable	**(1,147,685)**	(1,067,716)
Other current assets	**(55,976)**	(6,725)
Current liabilities	**278,147**	89,868
Noncontrolling interest issued	**(298,725)**	–
Other changes	**(604)**	193,461
Net cash provided by operating activities, before net change in investments, and assets limited as to use	**924,063**	858,356
Net decrease in investments and assets limited as to use	**239,686**	474,258
Net cash provided by operating activities	**1,163,749**	1,332,614
Investing activities		
Purchases of property, equipment and other capital assets	**(1,478,741)**	(1,285,330)
Net cash on contributions and acquisitions	**70,851**	67,696
Purchase of CHI St. Vincent Hot Springs, net of cash acquired	**(59,571)**	–
Purchase of CHI St. Luke's Health System, net of cash acquired	**–**	(961,014)
Purchase of Alegent Creighton Health, net of cash acquired	**–**	(505,542)
Net cash proceeds from asset sales	**71,639**	218,002
Distributions from investments in unconsolidated organizations	**45,991**	35,224
Cash from net repayments of notes receivable	**12,004**	2,843
Other changes	**19,715**	35,306
Net cash used in investing activities	**(1,318,112)**	(2,392,815)
Financing activities		
Proceeds from issuance of debt and bank loans	**1,899,065**	1,591,465
Costs associated with issuance of debt	**(11,354)**	(12,170)
Repayment of debt	**(1,299,826)**	(313,840)
Proceeds from bank loans	**–**	–
Net cash provided by financing activities	**587,885**	1,265,455
Increase in cash and equivalents	**433,522**	205,254
Cash and equivalents at beginning of year	**609,226**	403,972
Cash and equivalents at end of year	**$ 1,042,748**	$ 609,226
Supplemental disclosures of cash flow information		
Cash paid during the year for interest, including amounts capitalized	**$ 272,627**	$ 199,413

See accompanying notes.

1. Summary of Significant Accounting Policies

Organization

Catholic Health Initiatives (CHI), established in 1996, is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. CHI sponsors market-based organizations (MBO) and other facilities operating in 18 states and includes 92 hospitals, including four academic medical centers, and 24 critical access facilities; community health service organizations; accredited nursing colleges; home health agencies; and other facilities that span the inpatient and outpatient continuum of care. CHI also has an offshore captive insurance company, First Initiatives Insurance, Ltd. (FIIL).

The mission of CHI is to nurture the healing ministry of the Church, supported by education and research. Fidelity to the Gospel urges CHI to emphasize human dignity and social justice as CHI creates healthier communities.

Principles of Consolidation

CHI consolidates all direct affiliates in which it has sole corporate membership or ownership (Direct Affiliates) and all entities in which it has greater than 50% equity interest with commensurate control. All significant intercompany accounts and transactions are eliminated in consolidation.

Fair Value of Financial Instruments

Financial instruments consist primarily of cash and equivalents, patient accounts receivable, notes receivable and accounts payable. The carrying amounts reported in the consolidated balance sheets for these items approximate fair value.

1. Summary of Significant Accounting Policies (continued)

Cash and Equivalents

Cash and equivalents include all deposits with banks and investments in interest-bearing securities with maturity dates of 90 days or less from the date of purchase. In addition, cash and equivalents include deposits in short-term funds held by professional managers. The funds generally invest in high-quality, short-term debt securities, including U.S. government securities, securities issued by domestic and foreign banks, such as certificates of deposit and bankers' acceptances, repurchase agreements, asset-backed securities, high-grade commercial paper and corporate short-term obligations.

Net Patient Accounts Receivable and Net Patient Services Revenues

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors.

The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration historical business and economic conditions, trends in health care coverage, and other collection indicators. Management routinely assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility. The provision for bad debts is presented on the consolidated statements of operations as a deduction from patient services revenues (net of contractual allowances and discounts) since CHI accepts and treats substantially all patients without regard to the ability to pay.

During fiscal year 2014 and 2013, CHI added approximately $76 million and $400 million, respectively, in net patient accounts receivable due to the acquisition of various new subsidiaries – see Note 4, *Acquisitions, Affiliations and Divestitures*. Effective on January 1, 2014, the Affordable Care Act came into effect, which in certain states has caused a slight shift in payor mix whereby patients that used to be classified as charity now qualify for Medicaid. CHI has not experienced significant changes in write-off trends and there have been no significant changes to its charity care policy.

1. Summary of Significant Accounting Policies (continued)

Details of CHI's allowance activity is as follows (in thousands):

	Reserve for Contractual Allowance	Allowance for Bad Debt	Reserve for Charity	Total Accounts Receivable Allowances
Balance at July 1, 2012	$ (1,947,750)	$ (687,631)	$ (151,348)	$ (2,786,729)
Additions	(21,690,860)	(886,571)	(1,219,555)	(23,796,986)
Reductions	20,778,640	715,808	803,787	22,298,235
Balance at June 30, 2013	(2,859,970)	(858,394)	(567,116)	(4,285,480)
Additions	**(28,747,136)**	**(1,029,699)**	**(1,135,618)**	**(30,912,453)**
Reductions	**28,079,966**	**963,698**	**1,271,588**	**30,315,252**
Balance at June 30, 2014	**$ (3,527,140)**	**$ (924,395)**	**$ (431,146)**	**$ (4,882,681)**

CHI records net patient services revenues in the period in which services are performed. CHI has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement and negotiated discounts from established rates, and per diem payments.

Net patient services revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations, and excluding estimated amounts considered uncollectible. The differences between the estimated and actual adjustments are recorded as part of net patient services revenues in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews and investigations.

Investments and Assets Limited as to Use

Investments and assets limited as to use include assets set aside by CHI for future long-term purposes, including capital improvements and self-insurance. In addition, assets limited as to use include amounts held by trustees under bond indenture agreements, amounts contributed by donors with stipulated restrictions and amounts held for Mission and Ministry programs.

1. Summary of Significant Accounting Policies (continued)

CHI has designated its investment portfolio as trading. Accordingly, unrealized gains and losses on marketable securities are reported within excess of revenues over expenses. In addition, cash flows from the purchases and sales of marketable securities are reported as a component of operating activities in the accompanying consolidated statements of cash flows.

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law.

Investments in limited partnerships and limited liability companies are recorded using the equity method of accounting (which approximates fair value as determined by the net asset values of the related unitized interests) with the related changes in value in earnings reported as investment income in the accompanying consolidated financial statements.

Inventories

Inventories, primarily consisting of pharmacy drugs, and medical and surgical supplies, are stated at lower of cost (first-in, first-out method) or market.

Assets and Liabilities Held for Sale

A long-lived asset or disposal group of assets and liabilities that is expected to be sold within one year is classified as held for sale. For long-lived assets held for sale, an impairment charge is recorded if the carrying amount of the asset exceeds its fair value less costs to sell. Such valuations include estimates of fair values generally based upon firm offers, discounted cash flows and incremental direct costs to transact a sale (Level 2 and Level 3 inputs).

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair value at the date of receipt or impairment. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. During fiscal year 2014, CHI conducted a study to reassess the estimated remaining useful lives of its buildings and building improvements. As a result of this study, CHI prospectively adjusted the estimated

1. Summary of Significant Accounting Policies (continued)

remaining useful lives of these assets, which resulted in a reduction to depreciation expense of $23.5 million in 2014. Buildings and improvements are depreciated over estimated useful lives of 5 to 84 years, and equipment and land improvements over 3 to 40 years.

For property and equipment under capital lease, amortization is determined over the shorter period of the lease term or the estimated useful life of the property and equipment. Interest cost incurred during the period of construction of major capital projects is capitalized as a component of the cost of acquiring those assets. Capitalized interest of $44.7 million and $30.4 million was recorded in fiscal years 2014 and 2013, respectively. Costs incurred in the development and installation of internal-use software are typically expensed if they are incurred in the preliminary project stage or post-implementation stage, while certain costs are capitalized if incurred during the application development stage. Amounts capitalized are amortized over the useful life of the developed asset following project completion.

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over that organization. The income or loss on the equity method investments is recorded in the consolidated statements of operations as changes in equity of unconsolidated organizations.

Intangible Assets and Goodwill

Intangible assets are comprised primarily of trade names, which are amortized over the estimated useful lives ranging from 10 to 25 years using the straight-line method. Amortization expense of $7.9 million and $5.2 million was recorded in 2014 and 2013, respectively. It is estimated that intangible asset amortization expense over the next five years will be $10.0 million per year.

Goodwill is not amortized but is subject to annual impairment tests as well as more frequent reviews whenever circumstances indicate a possible impairment may exist. Impairment testing of goodwill is done at the MBO level by comparing the fair value of the MBO's net assets against the carrying value of the MBO's net assets, including goodwill. Each MBO is defined as a reporting unit for purposes of impairment testing. The fair value of net assets is generally estimated based on quantitative analysis of discounted cash flows. The fair value of goodwill is determined by assigning fair values to assets and liabilities and calculating any remaining fair

1. Summary of Significant Accounting Policies (continued)

value as the implied fair value of goodwill. As a result of its impairment testing in fiscal year 2014, CHI determined that the implied fair value of one of its MBO's goodwill was less than the carrying value. A goodwill impairment charge of $15.0 million is reflected in the consolidated statements of operations for fiscal year 2014.

The changes in the carrying amount of goodwill and intangibles is as follows (in thousands):

	2014	2013
Intangible assets, beginning of year	**$ 97,684**	$ 52,834
Current year acquisitions	**130,124**	43,600
Purchase price allocation adjustments for prior year's acquisitions and other adjustments	**(11,970)**	1,250
Intangible assets, end of year	**215,838**	97,684
Accumulated amortization, beginning of year	**(25,467)**	(20,297)
Intangible amortization expense	**(7,931)**	(5,254)
Other adjustments	**8,169**	84
Accumulated amortization, end of year	**(25,229)**	(25,467)
Intangible assets, net	**190,609**	72,217
Goodwill, beginning of year	**292,534**	130,343
Current year acquisitions	**16,725**	146,142
Impairments	**(15,040)**	–
Purchase price allocation adjustments for prior year's acquisitions and other adjustments	**68,634**	16,049
Goodwill, end of year	**362,853**	292,534
Total intangible assets and goodwill, net	**$ 553,462**	$ 364,751

Intangible assets and goodwill increased during fiscal year 2014, due to the various acquisitions discussed in Note 4, *Acquisitions, Affiliations and Divestitures*. During fiscal year 2014, certain adjustments to the 2013, purchase price allocations were recorded to intangible and goodwill, including the correction to the values assigned to various CHI St. Luke Medical Center buildings, resulting in a $78.5 million increase in goodwill.

1. Summary of Significant Accounting Policies (continued)

Notes Receivable and Other Assets

Other assets consist primarily of notes receivable, pledges receivable, deferred compensation assets, prepaid service contracts, deposits and other long-term assets. Notes receivable from related entities at June 30, 2014 and 2013, include balances from Bethesda Hospital, Inc. (Bethesda), the non-CHI joint operating agreement (JOA) partner in the Cincinnati, Ohio JOA.

A summary of notes receivable and other assets is as follows as of June 30 (in thousands):

	2014	2013
Total notes receivable from related entities	**$ 175,466**	$ 188,275
Reinsurance recoverable on unpaid losses and loss adjustment expense	**29,109**	71,801
Deferred compensation assets	**51,684**	41,014
Other long-term assets	**244,627**	129,798
Total notes receivable and other	**$ 500,886**	$ 430,888

Bethesda is a Designated Affiliate in the CHI credit group under the Capital Obligation Document (COD). As conditions of joining the CHI credit group, Bethesda has agreed to certain covenants related to corporate existence, insurance coverage, exempt use of bond-financed facilities, maintenance of certain financial ratios, and compliance with limitations on the incurrence of additional debt. Based upon management's review of the creditworthiness of Bethesda and its compliance with the covenants and limitations, no allowances for uncollectible notes receivable were recorded at June 30, 2014 and 2013.

Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, including endowment funds. Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes primarily to purchase equipment, to provide charity care, and to provide other health and educational programs and services.

1. Summary of Significant Accounting Policies (continued)

Unconditional promises to receive cash and other assets are reported at fair value at the date the promise is received. Conditional promises and indications of donors' intentions to give are reported at fair value at the date the conditions are met or the gifts are received. All unrestricted contributions are included in the excess of revenue over expenses as donation revenues. Other gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as donations revenue when restricted for operations or as unrestricted net assets when restricted for property and equipment.

Performance Indicator

The performance indicator is the excess of revenues over expenses, which includes all changes in unrestricted net assets other than changes in the pension liability funded status, net assets released from restrictions for property acquisitions, the cumulative effect of changes in accounting principles, discontinued operations, contributions of property and equipment, and other changes not required to be included within the performance indicator under generally accepted accounting principles.

Operating and Nonoperating Activities

CHI's primary mission is to meet the health care needs in its market areas through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, physician services, long-term care, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Earnings from fixed-income investments held by FIIL are also classified within operating activities as such earnings support FIIL operations. Other activities that result in gains or losses peripheral to CHI's primary mission are considered to be nonoperating. Nonoperating activities include all other investment earnings, gains/losses from bond defeasance, net interest cost and changes in fair value of interest rate swaps, and the nonoperating component of JOA income share adjustments. Any infrequent and nonreciprocal contribution that CHI would make to enter a new market community or to expand upon existing affiliations is also classified as nonoperating.

1. Summary of Significant Accounting Policies (continued)

Charity Care

As an integral part of its mission, CHI accepts and treats all patients without regard to the ability to pay. Services to patients are classified as charity care in accordance with standards established across all MBOs. Charity care represents services rendered for which partial or no payment is expected, and includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. CHI determines the cost of charity care on the basis of an MBO's total cost as a percentage of total charges applied to the charges incurred by patients qualifying for charity care under CHI's policy. This amount is not included in net patient services revenues in the accompanying consolidated statements of operations and changes in net assets. The estimated cost of charity care provided was $255.2 million and $320.7 million in 2014 and 2013, respectively, for continuing operations, and $1.9 million and $2.0 million in 2014 and 2013, respectively, for discontinued operations. The decline in charity care provided was due primarily to changes in payor mix as a result of the Affordable Care Act.

Other Nonpatient Revenues

Other nonpatient revenues include services sold to external health care providers, gains on acquisitions of subsidiaries, cafeteria sales, rental income, retail pharmacy and durable medical equipment sales, auxiliary and gift shop revenues, electronic health records incentive payments, gains and losses on the sales of assets, the operating portion of revenue-sharing income or expense associated with Direct Affiliates that are part of JOAs, premium revenues, and revenues from other miscellaneous sources.

Derivative and Hedging Instruments

CHI uses derivative financial instruments (interest rate swaps) in managing its capital costs. These interest rate swaps are recognized at fair value on the consolidated balance sheets. CHI has not designated its interest rate swaps related to CHI's long-term debt as hedges. The net interest cost and change in the fair value of such interest rate swaps is recognized as a component of nonoperating (losses) gains in the accompanying consolidated statements of operations. It is CHI's policy to net the value of collateral on deposit with counterparties against the fair value of its interest rate swaps in other liabilities on the consolidated balance sheets.

1. Summary of Significant Accounting Policies (continued)

Functional Expenses

CHI provides health care services, including inpatient, outpatient, ambulatory, long-term care and community-based services to individuals within the various geographic areas supported by its facilities. Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services and other functions that are supported centrally for all of CHI. Support services expenses as a percentage of total operating expenses were approximately 6.2% and 4.5% in 2014 and 2013, respectively.

Restructuring, Impairment, and Other Losses

CHI periodically evaluates property, equipment, goodwill, and certain other intangible assets to determine whether assets may have been impaired. Management determined there were certain goodwill impairments in 2014, and certain property and equipment impairments in both 2014 and 2013, to the extent that the fair values (estimated based upon discounted cash flows – Level 3 inputs) of those assets were less than the underlying carrying values.

During the years ended June 30, 2014 and 2013, CHI recorded total charges of $117.5 million and $155.3 million, respectively, relating to asset and goodwill impairments, and changes in business operations, including reorganization and severance costs. Of this amount, $117.5 million and $59.3 million were from continuing operations and reported in the consolidated statements of operations for 2014 and 2013, respectively, and $96.0 million was reported as discontinued operations in the consolidated statements of changes in net assets for 2013. No restructuring or impairment was recorded in 2014, for the discontinued operations.

Income Taxes

CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax.

Management reviews its tax positions annually and has determined that there are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates.

Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011, to certain hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology in ways that demonstrate improved quality and effectiveness of care. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. An initial Medicaid incentive payment is available to providers that adopt, implement or upgrade certified EHR technology. However, in order to receive additional Medicaid incentive payments in subsequent years, providers must demonstrate continued meaningful use of EHR technology.

CHI accounts for meaningful use incentive payments under the gain contingency model. Medicare EHR incentive payments are recognized as revenues when eligible providers demonstrate meaningful use of certified EHR technology and the cost report information for the full cost report year that will determine the full calculation of the incentive payment is available. Medicaid EHR incentive payments are recognized as revenues when an eligible provider demonstrates meaningful use of certified EHR technology. CHI recognized $39.1 million and $32.5 million of Medicare meaningful use revenues and $18.0 million and $8.2 million of Medicaid meaningful use revenues in its consolidated statements of operations for fiscal year 2014 and 2013, respectively.

2. Community Benefit (Unaudited)

In accordance with its mission and philosophy, CHI commits substantial resources to sponsor a broad range of services to both the poor and the broader community. Community benefit provided to the poor includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care; unpaid costs of care provided to

2. Community Benefit (Unaudited) (continued)

beneficiaries of Medicaid and other indigent public programs; services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed; and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community.

Community benefit provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support. This type of community benefit includes the costs of services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis; unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions; and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols.

A summary of the cost of community benefit provided to both the poor and the broader community is as follows (in thousands):

	2014	2013
Cost of community benefit:		
Cost of charity care provided	**$ 255,157**	$ 320,666
Unpaid cost of public programs, Medicaid, and other indigent care programs	**453,386**	289,436
Non-billed services	**28,242**	36,237
Cash and in-kind donations	**4,084**	3,904
Education research	**102,081**	48,186
Other benefit	**62,263**	55,427
Total cost of community benefit from continuing operations	**905,213**	753,856
Total cost of community benefit from discontinued operations	**4,664**	8,095
Total cost of community benefit	**909,877**	761,951
Unpaid cost of Medicare from continuing operations	**776,417**	392,485
Unpaid cost of Medicare from discontinued operations	**16,445**	27,055
Total unpaid cost of Medicare	**792,862**	419,540
Total cost of community benefit and the unpaid cost of Medicare	**$ 1,702,739**	$ 1,181,491

2. Community Benefit (Unaudited) (continued)

The summary above has been prepared in accordance with the Catholic Health Association of the United States (CHA) publication, *A Guide for Planning & Reporting Community Benefit.* Community benefit is measured on the basis of total cost, net of any offsetting revenues, donations or other funds used to defray cost. During fiscal year 2014 and 2013, CHI received $4.0 million and $28.3 million, respectively, in funds used to subsidize charity care provided.

The total cost of community benefit from continuing and discontinued operations was 6.4% and 6.8% of total expenses before operating expenses related to restructuring, impairment and other losses in 2014 and 2013, respectively. The total cost of community benefit and the unpaid cost of Medicare from continuing and discontinued operations was 12.1% and 10.5% of total expenses before operating expenses related to restructuring, impairment and other losses in 2014 and 2013, respectively.

3. Joint Operating Agreements and Investments in Unconsolidated Organizations

Joint Operating Agreements

CHI participates in JOAs with hospital-based organizations in three separate market areas. The agreements generally provide for, among other things, joint management of the combined operations of the local facilities included in the JOAs through Joint Operating Companies (JOC). CHI retains ownership of the assets, liabilities, equity, revenues and expenses of the CHI facilities that participate in the JOAs. The financial statements of the CHI facilities managed under all JOAs are included in the CHI consolidated financial statements. Transfers of assets from facilities owned by the JOA participants generally are restricted under the terms of the agreements.

As of June 30, 2014 and 2013, CHI has a 70% interest in a JOC based in Colorado and has a 50% interest in two other JOCs associated with other JOAs. CHI's interests in the JOCs are included in investments in unconsolidated organizations and totaled $199.4 million and $103.2 million at June 30, 2014 and 2013, respectively. CHI recognizes its investment in all JOCs under the equity method of accounting. The JOCs provide varying levels of services to the related JOA sponsors, and operating expenses of the JOCs are allocated to each sponsoring organization. The JOCs had total assets of $607.7 million and $483.9 million at June 30, 2014 and 2013, respectively, and net assets of $347.2 million and $160.9 million, respectively.

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

Investments in Unconsolidated Organizations

Conifer Health Solutions (Conifer) – As of June 30, 2014 and 2013, CHI holds a $19.3 million cost method investment in Conifer, acquired as part of an 11-year agreement with Conifer where Conifer provides revenue cycle services for CHI acute care operations. The agreement allows CHI to earn shares in Conifer as transition and other activities are completed, and such shares will be issued at specified future dates. As of June 30, 2014 and 2013, CHI has met certain transition milestones and has earned the right to additional future shares valued at $64.5 million and $19.1 million, respectively, which are reflected in notes receivable and other in the accompanying consolidated balance sheets. This earned value will be amortized as an offset to revenue cycle service fees paid to Conifer over the life of the agreement.

Preferred Professional Insurance Corporation (PPIC) – PPIC is an unconsolidated affiliate of CHI. PPIC provides professional liability insurance and other related services to preferred physician and other health care providers that are associated with its owners. CHI owns a 27% interest in PPIC and accounts for its investment under the equity method of accounting. The book value of the investment was $60.5 million and $56.0 million at June 30, 2014 and 2013, respectively. PPIC had net assets of $224.8 million and $208.0 million at December 31, 2013 and 2012, respectively.

Other Entities – The summarized financial positions and results of operations for the other entities accounted for under the equity method of accounting as of and for the periods ended June 30, excluding the investments described above, are as follows (in thousands):

	2014							
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Hospital Based Services	ACO/CCO /CIN	Other Investees	Total
Total assets	$ 17,593	$ 270,241	$ 71,266	$ 31,985	$ 119,181	$ 96,337	$ 147,363	$ 753,966
Total debt	14,906	11,707	11,117	13,552	24,605	30,554	22,970	129,411
Net assets	2,560	204,956	49,572	14,839	87,064	65,784	90,145	514,920
Net patient services revenues	–	254,294	151,907	41,686	100,253	–	127,268	675,408
Total revenues, net	2,674	349,029	152,301	44,498	83,719	149,695	188,845	970,761
(Deficit) excess of revenues over expenses	(54)	26,614	39,951	4,031	22,993	10,262	14,251	118,048

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

	2013							
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Hospital Based Services	ACO/CCO /CIN	Other Investees	Total
Total assets	$ 34,746	$ 265,568	$ 65,084	$ 28,697	$ 115,036	$ 50,623	$ 110,002	$ 669,756
Total debt	33,106	24,408	11,998	12,535	27,605	14,534	18,335	142,521
Net assets	1,414	195,874	44,996	8,758	71,752	36,090	64,958	423,842
Net patient services revenues	–	260,204	138,577	34,197	95,749	–	72,165	600,892
Total revenues, net	6,309	353,484	142,775	37,065	95,161	51,767	163,511	850,072
Excess of revenues over expenses	872	34,633	44,385	4,241	18,296	3,314	7,806	113,547

4. Acquisitions, Affiliations and Divestitures

The following table is a summary of the business combinations that occurred in fiscal year 2014 (in thousands):

	Harrison	CHI St. Luke's/Baylor	Hot Springs	Memorial	Other	Total
Fiscal year 2014						
Purchase consideration:						
Cash	$ –	$ –	$ 59,650	$ –	$ 3,759	$ 63,409
Equity interest in acquisition	–	–	–	–	3,471	3,471
Gain on business combinations	289,030	–	61,839	53,245	17,841	421,955
Noncontrolling interest	–	298,725	–	–	–	298,725
	$ 289,030	$ 298,725	$ 121,489	$ 53,245	$ 25,071	$ 787,560

	Harrison	CHI St. Luke's/Baylor	Hot Springs	Memorial	Other	Total
Fiscal year 2014						
Purchase price allocation:						
Cash and investments	$ 217,515	$ –	$ 79	$ 78,798	$ 37,333	$ 333,725
Patient and other accounts receivable	50,556	–	–	21,254	4,638	76,448
Other current assets	11,780	63,200	6,010	7,231	3,269	91,490
Property and equipment	199,127	215,800	126,225	125,863	5,309	672,324
Intangible assets	21,028	79,000	–	2,000	6,096	108,124
Goodwill	–	16,725	–	–	–	16,725
Other assets	8,883	–	133	1,338	3,143	13,497
Current liabilities	(65,858)	–	(4,019)	(21,734)	(10,481)	(102,092)
Pension liability	(19,349)	–	–	–	–	(19,349)
Other liabilities	(9,178)	(76,000)	–	(22,391)	(23,214)	(130,783)
Debt	(120,122)	–	(6,939)	(118,266)	(1,022)	(246,349)
Restricted net assets	(5,352)	–	–	(20,848)	–	(26,200)
	$ 289,030	$ 298,725	$ 121,489	$ 53,245	$ 25,071	$ 787,560

4. Acquisitions, Affiliations and Divestitures (continued)

Harrison Medical Center – Effective August 1, 2013, Harrison Medical Center (Harrison) was acquired by CHI for no consideration, resulting in the recognition of a $289.0 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions. Harrison is located in Bremerton, Washington, and operates two acute care facilities in the area as well as provides emergency services and a range of general and specialized services to adjacent areas. Excluding the contribution gain, Harrison reported $369.8 million in operating revenues and $33.9 million of excess of revenues over expenses in the CHI consolidated results of operations for the period August 1, 2013 through June 30, 2014.

Mercy Hot Springs – Effective April 1, 2014, Mercy Health based in St. Louis, Missouri, transferred ownership of its Hot Springs, Arkansas facility, including its hospital and physician clinic (Mercy Hot Springs), to CHI for net proceeds of $59.7 million. A $61.8 million gain was recognized, calculated as the fair value of assets acquired and liabilities assumed, determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions, less consideration paid. Mercy Hot Springs is a 282-bed acute care hospital, providing an emergency department with a Level 2 Trauma Center designation, a 90-physician clinic organization and a comprehensive range of medical services. Excluding the contribution gain, Mercy Hot Springs reported $63.7 million in operating revenues and $2.2 million of deficit of revenues over expenses in the CHI consolidated results of operations for the period April 1, 2014 through June 30, 2014.

Memorial Health System of East Texas – Effective June 1, 2014, Memorial Health System of East Texas (Memorial) was acquired by CHI for no consideration, resulting in the recognition of a $53.2 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions. Memorial is a private, nonprofit hospital system with hospitals in Lufkin, Livingston and San Augustine, Texas. Excluding the contribution gain, Memorial reported $16.2 million in operating revenues and $0.8 million of deficiency of revenues over expenses in the CHI consolidated results of operations for the period June 1, 2014 through June 30, 2014.

CHI St. Luke's/Baylor College of Medicine – Effective on January 1, 2014, CHI St. Luke's Medical Center (CHI St. Luke's) acquired certain assets of Baylor College of Medicine (Baylor) in exchange for a 35% noncontrolling interest in the combined operations of certain of the operations of CHI St. Luke's. The parties have agreed to build and operate a new, acute care,

4. Acquisitions, Affiliations and Divestitures (continued)

open-staff hospital on Baylor's McNair Campus and to share in the operations 65% by CHI St. Luke's and 35% by Baylor. CHI St. Luke's and Baylor also entered into an academic affiliation agreement whereby Baylor will provide certain clinical programs and services to certain of the CHI St. Luke's hospital facilities.

The following table is a summary of the business combinations that occurred in fiscal year 2013:

	St. Luke's	Highline	UMC	Alegent	Total
Fiscal year 2013					
Purchase consideration:					
Cash	$ 1,000,000	$ –	$ –	$ 553,700	$ 1,553,700
Note payable	260,000	–	–	–	260,000
Contingent consideration	–	–	217,709	–	217,709
Equity interest in Alegent	–	–	–	33,934	33,934
Gain on business combinations	–	55,436	–	20,989	76,425
	$ 1,260,000	$ 55,436	$ 217,709	$ 608,623	$ 2,141,768

	St. Luke's	Highline	UMC	Alegent	Total
Fiscal year 2013					
Purchase price allocation:					
Cash and investments	$ 1,153,253	$ 57,133	$ 94,061	$ 496,309	$ 1,800,756
Patient and other accounts receivable	180,106	27,268	65,723	118,833	391,930
Other current assets	37,413	5,081	29,601	34,884	106,979
Property and equipment	1,046,341	137,148	176,004	474,996	1,834,489
Intangible assets	41,124	1,494	–	982	43,600
Goodwill	–	–	53,178	92,964	146,142
Other assets	25,600	17,745	9,367	63,798	116,510
Current liabilities	(175,081)	(34,087)	(76,202)	(206,630)	(492,000)
Pension liability	(3,559)	(12,307)	–	(48,216)	(64,082)
Other liabilities	(153,436)	(5,355)	(11,202)	(81,344)	(251,337)
Notes payable to CHI	–	–	–	(337,953)	(337,953)
Debt	(891,761)	(138,684)	(122,821)	–	(1,153,266)
	$ 1,260,000	$ 55,436	$ 217,709	$ 608,623	$ 2,141,768

4. Acquisitions, Affiliations and Divestitures (continued)

CHI St. Luke's Health System – Effective June 1, 2013, CHI acquired the operations of St. Luke's Health System (St. Luke's), a six-hospital system based in Houston, Texas, from Episcopal Health Foundation for cash and a note payable. For the month of June 2013, the operations of CHI St. Luke's contributed $95.2 million in operating revenues and $12.8 million of deficit of revenues over expenses to the CHI consolidated results of operations.

Highline Medical Center – Effective April 1, 2013, Highline Medical Center (Highline) was acquired by CHI for no consideration, resulting in the recognition of a $55.4 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions. Highline is a 154-bed acute care hospital based in Burien, Washington. Excluding the contribution gain, Highline reported $48.3 million in operating revenues and $2.6 million in deficiency of revenues over expenses to the CHI consolidated results of operations for the period April 1 through June 30, 2013.

University Medical Center and University of Louisville Hospital – Effective March 1, 2013, KentuckyOne Health (a CHI MBO), University Medical Center (UMC) and the University of Louisville entered into a partnership, structured as a joint operating agreement between University Medical Center and KentuckyOne Health, whereby KentuckyOne Health controls substantially all of UMC's operations, which consist of the University of Louisville Hospital and the James Graham Brown Cancer Center (ULH). As part of the agreement, KentuckyOne Health has committed to provide financial support to the University of Louisville over the next 20 years. The fair value of the contingent consideration is adjusted annually by management and is based on Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions, all discounted to net present value. Changes in any of the unobservable inputs alone or together would result in a lower (higher) fair value measurement. The fair value of the commitment based on significant unobservable inputs (Level 3) was $203.2 million at June 30, 2014, compared to an acquisition date value of $217.7 million. For the period from March 1 through June 30, 2013, the operations of ULH contributed $166.3 million of operating revenues and $11.8 million of excess of revenues over expenses to the CHI consolidated results of operations, prior to the effects of the JOA revenue-sharing arrangement.

4. Acquisitions, Affiliations and Divestitures (continued)

Alegent Creighton Health and Affiliates – Effective November 1, 2012, CHI became the sole corporate sponsor of Alegent based in Omaha, Nebraska. In addition to the operations of Bergan Mercy Health System and Affiliates (Bergan Mercy) previously owned and consolidated by CHI, CHI now consolidates the Alegent operations, which include the operations of Immanuel and the operations of Creighton University Medical Center. For the period from November 1, 2012 through June 30, 2013, incremental Alegent (excluding the Bergan Mercy component) contributed $611.1 million in operating revenues and $18.1 million of excess of revenues over expenses to the CHI consolidated results of operations. Upon CHI becoming the sole sponsor of Alegent in November 2012, CHI also recognized a $21.0 million gain in fiscal year 2013, due to the remeasurement of CHI's interest in the Alegent JOC. Such gain is reflected in other nonpatient revenues in the consolidated statements of operations.

On an unaudited pro forma basis, had CHI owned or been party to agreements with Harrison, Hot Springs and Memorial at the beginning of fiscal year 2014, these entities would have contributed $1.2 billion of operating revenues and $415.9 million of excess of revenues of expenses. Had CHI owned or been party to agreements with Harrison, Hot Springs, Memorial, St. Luke's, Highline, University Medical Center and Alegent at the beginning of fiscal year 2013, these entities would have contributed $3.6 billion in operating revenues and $190.6 million in excess of revenues over expenses. However, unaudited pro forma information is not necessarily indicative of the historical results that would have been obtained had the transaction actually occurred on those dates, nor of future results.

Texas Heart Institute Affiliation

Effective on January 1, 2014, CHI and Texas Heart Institute (THI) entered into a ten-year affiliation agreement to further develop research, education and patient care opportunities to reduce the toll of cardiovascular disease. Over the term of the agreement, CHI has committed to fund various programs sponsored by THI. The present value of these commitments was $96.1 million as of the affiliation agreement date, of which $74.1 million was recorded in fiscal year 2014, as other nonoperating (losses) gains in the consolidated statements of operations. As part of the valuation, CHI recorded $22 million in trade name intangibles, which will be amortized over the life of the agreement.

4. Acquisitions, Affiliations and Divestitures (continued)

Discontinued Operations

In 2012, CHI committed to a plan to sell the MBOs in Denville, New Jersey; Towson, Maryland; and Pierre, South Dakota. The Towson MBO was sold to the University of Maryland Medical System effective on December 1, 2012, for preliminary sales proceeds of $154.0 million. Contingent sales proceeds of $45.7 million have been placed in escrow pending final disposition of certain open items. A final determination is expected in fiscal year 2015. The Pierre MBO was sold to Avera Health effective January 1, 2013, for net sales proceeds of $50.0 million and a loss on disposition of $27.7 million. In May 2013, CHI agreed to sell the Denville MBO to Prime Healthcare Services for $100.0 million. The transaction is subject to governmental and Church approvals and is expected to close in fiscal year 2015. In accordance with Accounting Standards Codification (ASC) 205-20, *Discontinued Operations,* and ASC 360-10, *Impairment or Disposal of Long-Lived Assets,* the results of operations associated with these MBOs have been reported as discontinued operations and are included in the consolidated statements of changes in net assets. Assets held for sale consist primarily of net patient accounts receivable, net property and other long-term assets. Liabilities held for sale consist primarily of accrued compensation and benefits, accounts payable and deferred revenues.

Related to discontinued operations, CHI recorded a deficiency of revenues over expenses of $14.8 million and $108.6 million for the years ended June 30, 2014 and 2013, respectively, which is reported as discontinued operations in the accompanying consolidated statements of changes in net assets. Included in fiscal year 2013 is an impairment loss of $64.8 million related to adjusting the carrying value of property and equipment at the Denville MBO to its net realizable value. Total operating revenues and deficiency of revenues over expenses included in the results of discontinued operations for the years ended June 30 are summarized below (in thousands):

	2014	2013
Total operating revenues	**$ 296,267**	$ 464,809
Total operating expenses	**(314,035)**	(485,949)
Restructuring and other losses	**–**	(95,924)
Nonoperating gains	**3,000**	8,470
Deficiency of revenues over expenses	**$ (14,768)**	$ (108,594)

4. Acquisitions, Affiliations and Divestitures (continued)

The consolidated statements of cash flows include the use of $18.5 million and $24.9 million of operating, investing and financing activities related to discontinued operations for the years ended June 30, 2014 and 2013, respectively.

5. Net Patient Services Revenues

Net patient services revenues are derived from services provided to patients who are either directly responsible for payment or are covered by various insurance or managed care programs. CHI receives payments from the federal government on behalf of patients covered by the Medicare program, from state governments for Medicaid and other state-sponsored programs, from certain private insurance companies and managed care programs and from patients themselves. A summary of payment arrangements with major third-party payors follows:

Medicare – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic and other factors. Certain CHI facilities have been designated as critical access hospitals and, accordingly, are reimbursed their cost of providing services to Medicare beneficiaries. Professional services rendered by physicians are paid based on the Medicare allowable fee schedule.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are primarily paid under the traditional Medicaid plan at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a cost reimbursement methodology, fee schedules or discounts from established charges.

Other – CHI has also entered into payment agreements with certain managed care and commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to CHI under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

5. Net Patient Services Revenues (continued)

CHI's Medicare, Medicaid and other payor utilization percentages, based upon net patient services revenues before provision for doubtful accounts, are summarized as follows:

	2014	2013
Medicare	**32%**	32%
Medicaid	**8**	8
Managed care	**41**	40
Self-pay	**8**	8
Commercial and other	**11**	12
	100%	100%

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimated settlements related to Medicare and Medicaid of $117.4 million and $103.0 million at June 30, 2014 and 2013, respectively, are included in third-party liabilities. Net patient services revenues from continuing operations increased by $63.2 million in 2014 and $38.3 million in 2013 due to favorable changes in estimates related to prior-year settlements.

6. Investments and Assets Limited as to Use

CHI's investments and assets limited as to use as of June 30 are reported in the accompanying consolidated balance sheets as presented in the following table (in thousands):

	2014	2013
Cash and equivalents	**$ 433,606**	$ 244,077
CHI Investment Program	**5,814,893**	4,911,135
Marketable equity securities	**390,751**	858,537
Marketable fixed-income securities	**463,036**	773,069
Hedge funds and other investments	**63,974**	323,885
	7,166,260	7,110,703
Less current portion	**(24,732)**	(11,697)
	$ 7,141,528	$ 7,099,006

6. Investments and Assets Limited as to Use (continued)

Net unrealized gains in investments and assets limited to use at June 30, 2014 and 2013, were $668.6 million and $297.3 million, respectively.

CHI attempts to reduce its market risk by diversifying its investment portfolio using cash equivalents, fixed-income securities, marketable equity securities and alternative investments. Most of the U.S. Treasury, money market funds and corporate debt obligations as well as exchange-traded marketable securities held by CHI and the CHI Investment Program (the Program) have an actively traded market. However, CHI also invests in commercial paper, mortgage-backed or other asset-backed securities, alternative investments (such as hedge funds, private equity investments, real estate funds and funds of funds), collateralized debt obligations, municipal securities and other investments that have potential complexities in valuation based upon the current conditions in the credit markets. For some of these instruments, evidence supporting the determination of fair value may not come from trading in active primary or secondary markets. Because these investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for such investments existed. Such differences could be material. However, management reviews the CHI investment portfolio on a regular basis and seeks guidance from its professional portfolio managers related to U.S. and global market conditions to determine the fair value of its investments. CHI believes the carrying amount of these financial instruments in the consolidated financial statements is a reasonable estimate of fair value.

The majority of all CHI long-term investments are held in the Program. The Program is structured under a Limited Partnership Agreement with CHI as managing general partner and numerous limited partners, most sponsored by CHI. The partnership provides a vehicle whereby virtually all entities associated with CHI, as well as certain other unrelated entities, can seek to optimize investment returns while managing investment risk. Entities participating in the Program that are not consolidated in the accompanying financial statements have the ability to direct their invested amounts and liquidate and/or withdraw their interest without penalty as soon as practicable based on market conditions but within 180 days of notification. The Limited Partnership Agreement permits a majority vote of the noncontrolling limited partners to terminate the partnership. Accordingly, CHI recognizes only the portion of Program assets attributable to CHI and its sponsored affiliates. Program assets attributable to CHI and its Direct Affiliates represented 90% of total Program assets at June 30, 2014 and 2013.

6. Investments and Assets Limited as to Use (continued)

The Program asset allocation at June 30 is as follows:

	2014	2013
Marketable equity securities	**44%**	43%
Marketable fixed-income securities	**31**	32
Alternative investments	**23**	24
Cash and equivalents	**2**	1
	100%	100%

The CHI Finance Committee (the Committee) of the Board of Stewardship Trustees is responsible for determining asset allocations among fixed-income, equity, and alternative investments. At least annually, the Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations. Given the diversity of the underlying securities in which the Program invests, management does not believe there is a significant concentration of credit risk. Investment income is comprised of the following for the years ended June 30 (in thousands):

	2014	2013
Dividend and interest income	**$ 139,612**	$ 142,054
Net realized gains	**345,944**	262,067
Net unrealized gains	**364,692**	151,232
Total investment income from continuing operations	**$ 850,248**	$ 555,353
Included in nonpatient revenue	**$ 101,874**	$ 66,529
Included in nonoperating gains	**748,374**	488,824
Total investment income from continuing operations	**850,248**	555,353
Total investment income from discontinued operations	**3,000**	8,470
Total investment income	**$ 853,248**	$ 563,823

Direct expenses of the Program are less than 0.4% of total assets. Fees paid to the alternative investment managers are not included in the total expense calculation as they are not a direct expense of the Program.

7. Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial asset or liability.

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

Certain of CHI's alternative investments are made through limited liability companies (LLC) and limited liability partnerships (LLP). These LLCs and LLPs provide CHI with a proportionate share of the investment gains (losses). CHI accounts for its ownership in the LLCs and LLPs under the equity method. CHI also accounts for its ownership in the CHI Investment Program under the equity method. As such, these investments are excluded from the scope of ASC 820.

7. Fair Value of Assets and Liabilities (continued)

Financial assets and liabilities measured at fair value on a recurring basis were determined using the market approach based upon the following inputs at June 30 (in thousands):

	2014			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Assets				
Assets limited as to use:				
Cash and short-term investments	$ 433,606	$ 353,077	$ 80,529	$ –
Marketable equity securities	390,751	390,751	–	–
Marketable fixed-income securities	463,036	97,433	365,603	–
Other investments	2,518	–	–	2,518
Deferred compensation assets:				
Cash and short-term investments	13,911	13,911	–	–
	$ 1,303,822	$ 855,172	$ 446,132	$ 2,518
Liabilities				
Interest rate swaps	$ 256,750	$ –	$ 256,750	$ –
Contingent consideration	203,236	–	–	203,236
Deferred compensation liability	13,911	13,911	–	–
	$ 473,897	$ 13,911	$ 256,750	$ 203,236

7. Fair Value of Assets and Liabilities (continued)

	2013			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Assets				
Assets limited as to use:				
Cash and short-term investments	$ 244,077	$ 197,385	$ 46,692	$ –
Marketable equity securities	858,537	858,537	–	–
Marketable fixed-income securities	773,069	123,996	649,073	–
Other investments	11,718	–	–	11,718
Deferred compensation assets:				
Cash and short-term investments	12,035	12,035	–	–
	$ 1,899,436	$ 1,191,953	$ 695,765	$ 11,718
Liabilities				
Interest rate swaps	$ 271,634	$ –	$ 271,634	$ –
Contingent consideration	205,169	–	–	205,169
Deferred compensation liability	12,035	12,035	–	–
	$ 488,838	$ 12,035	$ 271,634	$ 205,169

The fair values of the instruments included in Level 1 were determined through quoted market prices. Level 1 instruments include money market funds, mutual funds and marketable debt and equity securities. The fair values of Level 2 instruments were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest

7. Fair Value of Assets and Liabilities (continued)

rate curves and referenced credit spreads; estimated prepayment rates, where applicable, are used for valuation purposes and are provided by third-party services where quoted market values are not available. Level 2 instruments include corporate fixed-income securities, government bonds, mortgage and asset-backed securities, and interest rate swaps. The fair values of Level 3 securities are determined primarily through information obtained from the relevant counterparties for such investments. Information on which these securities' fair values are based is generally not readily available in the market. The fair value of the contingent liabilities was determined based on estimated future cash flows and probability-weighted performance assumptions, discounted to net present value.

8. Property and Equipment

A summary of property and equipment is as follows as of June 30 (in thousands):

	2014	2013
Land and improvements	**$ 672,103**	$ 596,548
Buildings and improvements	**6,880,281**	6,399,345
Equipment	**5,193,465**	4,612,302
	12,745,849	11,608,195
Less accumulated depreciation	**(5,494,054)**	(5,009,102)
	7,251,795	6,599,093
Construction in progress	**1,690,725**	1,187,147
	$ 8,942,520	$ 7,786,240

CHI evaluates whether events and circumstances have occurred that indicate the remaining useful life of property, equipment and certain other intangible assets may not be recoverable. Management determined there were impairment issues in both 2014 and 2013, to the extent that the undiscounted cash flows estimated to be generated by certain assets were less than the underlying carrying value. CHI recorded $59.6 million and $4.9 million in impairment losses in continuing operations for 2014 and 2013, respectively, resulting from charges related to estimated fair value deficiencies (based upon projected discounted cash flows) at various MBOs.

9. Debt Obligations

The following is a summary of debt obligations as of June 30 (in thousands):

	Interest Rates at June 30, 2014	2014	2013
CHI debt issued under the COD			
Variable-rate Bonds:			
Series 1997B, maturing through 2022	0.12%	$ **7,700**	$ 9,200
Series 2000B, maturing 2027	0.10	**22,700**	24,000
Series 2002B, maturing 2032	0.10	**94,700**	97,800
Series 2004B, maturing through 2044	0.05–0.11	**180,700**	180,700
Series 2004C, maturing through 2044	0.04–0.07	**163,300**	163,300
Series 2008A, maturing 2036	0.11	**120,225**	120,260
Series 2008C, maturing 2041	0.1	**50,000**	50,000
Series 2011B, maturing 2046	0.06	**158,155**	158,155
Series 2011C, maturing 2046	0.1	**121,000**	123,000
Series 2013B, maturing 2035	0.06	**200,000**	–
Series 2013C, maturing 2023	0.11	**100,000**	–
Series 2013E Taxable, maturing 2045	0.15	**125,000**	–
Series 2013F Taxable, maturing 2045	0.15	**75,000**	–
Fixed-rate Bonds:			
Series 2002A, maturing 2017	5.5	**2,615**	3,400
Series 2004A, maturing through 2034	4.75–5.0	**146,605**	146,605
Series 2006A, maturing 2041	4.0–5.0	**270,635**	270,635
Series 2006C, maturing through 2041	3.85–5.1	**250,000**	250,000
Series 2008C, maturing through 2041	4.0–4.1	**105,000**	105,000
Series 2008D, maturing through 2038	5.0–6.38	**471,450**	471,450
Series 2009A, maturing 2039	3.75–5.25	**724,140**	748,760
Series 2009B, maturing through 2039	4.0–5.25	**217,720**	252,360
Series 2011A, maturing 2041	3.25–5.25	**486,090**	506,090
Series 2012A, maturing 2035	4.0–5.0	**268,980**	271,260
Series 2012 Taxable, maturing 2042	1.6–4.35	**1,500,000**	1,500,000
Series 2013A, maturing 2045	5.0–5.75	**600,600**	–
Series 2013D Taxable, maturing 2023	2.6–4.2	**540,000**	–
Commercial Paper		**482,362**	442,475
Unamortized debt premium		**55,660**	59,538
Unamortized debt discount		**(24,839)**	(11,192)
Total CHI debt issued under the COD		**7,515,498**	5,942,796

9. Debt Obligations (continued)

	Interest Rates at June 30, 2014	2014	2013
St. Luke's debt issued under Master Trust Indenture			
Variable-rate Bonds:			
Series 2005		–	132,600
Series 2008		–	100,000
Series 2012		–	150,220
Fixed-rate Bonds: Series 2009		–	150,798
Unsecured Bank Notes		–	99,798
Total St. Luke's debt issued under Master Trust Indenture		–	633,416
Note payable issued to Episcopal Health Foundation		**230,225**	260,000
Capital leases		**204,291**	106,899
Other debt		**429,248**	462,946
		8,379,262	7,406,057
Less: Amounts classified as current:			
Variable-rate debt with self-liquidity		**(521,455)**	(321,455)
Commercial paper and current portion of debt		**(711,408)**	(749,617)
Long-term debt		**$ 7,146,399**	$ 6,334,985

The fair value of debt obligations was approximately $8.6 billion at June 30, 2014. Management has determined the carrying values of the variable-rate bonds are representative of fair values as of June 30, 2014, as the interest rates are set by the market participants. The fair value of the fixed-rate tax-exempt bond obligations as of June 30, 2014, is determined by applying credit spreads for similar tax-exempt obligations in the marketplace, which are then used to calculate a price/yield for the outstanding obligations (Level 2 inputs).

A summary of scheduled principal payments, based upon stated maturities, on long-term debt for the next five years is as follows (in thousands):

	Amounts Due
Year ending June 30:	
2015	$ 711,408
2016	248,420
2017	123,497
2018	404,908
2019	410,543

9. Debt Obligations (continued)

CHI issues the majority of its debt under the COD and is the sole obligor. Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of its Direct and Designated Affiliates. Covenants include a minimum CHI debt service coverage ratio and certain limitations on secured debt. The Direct Affiliates of CHI, defined as Participants under the COD, have agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities.

During the second quarter of fiscal year 2014, CHI issued $900.6 million of par value tax exempt bonds and $740.0 million of par value taxable bonds. Of the total proceeds, $881.8 million was used to redeem various St. Luke's bonds and bank notes, Harrison bonds, and Highline bonds, resulting in a total loss on defeasance of $10.0 million.

In October 2012, CHI issued $1.5 billion of par value long-term, fixed-rate, taxable bonds. Proceeds were used to finance a wide array of strategic initiatives, including affiliations in key areas.

As a result of redeeming the various St. Luke's obligations, the St. Luke's Health System Obligated Group and Master Trust Indenture were dissolved. Prior to December 31, 2013, St. Luke's had been a member of the St. Luke's Health System Obligated Group, and together with various of its consolidated subsidiaries, were the obligors under each of the St. Luke's bond issues. Obligated Group members were jointly and severally obligated to pay the notes issued under the Master Trust Indenture. Notes issued under the Master Trust Indenture were equally and ratably secured by a pledge of the accounts receivable of St. Luke's Medical Center and St. Luke's Woodlands Hospital.

As part of the December 2012 divestiture of CHI's facilities in Towson, Maryland, $113.5 million of Series 2006A bonds were legally defeased, resulting in a loss on defeasance of $18.0 million.

CHI has two types of external liquidity facilities: those that are dedicated to specific series of variable-rate demand bonds (VRDB) and those that are not dedicated to a particular series of VRDBs but may be used to support CHI's obligations to fund tenders of VRDBs and pay the maturing principal of commercial paper. Liquidity facilities that are dedicated to specific series of bonds were $897.0 million and $605.0 million at June 30, 2014 and 2013, respectively, of which $8.2 million and $7.9 million, respectively, are classified as current debt. The remaining

9. Debt Obligations (continued)

$888.8 million and $597.1 million at June 30, 2014 and 2013, respectively, are reported as long-term debt due to the repayment terms on any associated drawings extending beyond the subsequent fiscal year under the terms of the specific agreements.

Liquidity facilities not dedicated for specific series of VRDBs but used to support CHI's obligations to fund tenders and to pay maturing principal of commercial paper were $420.0 million and $390.0 million at June 30, 2014 and 2013, respectively. At June 30, 2014 and 2013, respectively, $482.4 million and $442.5 million of commercial paper were classified as current due to maturities of less than one year, and $521.5 million and $321.5 million, respectively, of VRDBs and Windows variable-rate bonds (Windows) were also classified as current due to the holder's ability to put such VRDBs and Windows back to CHI without liquidity facilities dedicated to these bonds.

At June 30, 2014, CHI had a $55.0 million credit facility with Bank of New York Mellon. Letters of credit totaling $47.6 million have been issued for the benefit of third parties, principally in support of the self-insurance programs administered by FIIL. At June 30, 2014 and 2013, no amounts were outstanding under this credit facility.

CHI was a party to 13 floating-to-fixed interest rate swap agreements with notional amounts totaling $1.4 billion and $1.6 billion at June 30, 2014 and 2013, respectively. Generally, it is CHI policy that all counterparties have an AA rating or better. The swap agreements require CHI to provide collateral if CHI's liability, determined on a mark-to-market basis, exceeds a specified threshold that varies based upon the rating on CHI's long-term indebtedness. These fixed-payor swap agreements convert CHI's variable-rate debt to fixed-rate debt. The swaps have varying maturity dates ranging from 2025 to 2047. The fair value of the swaps is estimated based on the present value sum of anticipated future net cash settlements until the swaps' maturities. At June 30, 2014 and 2013, the fair value was $256.7 million and $271.6 million, respectively.

During fiscal year 2014, a change in CHI's debt ratings resulted in an increase to its cash collateral postings. Cash collateral balances of $130.5 million and $107.5 million at June 30, 2014 and 2013, respectively, are netted against the fair value of the swaps, and the net amount is reflected in other liabilities. The change in the fair value of these agreements was a net gain of $10.2 million and $98.9 million in 2014 and 2013, respectively.

10. Retirement Plans

The non-contributory, defined benefit retirement plans (Retirement Plans) sponsored by CHI and its direct affiliates were frozen as of December 31, 2013. Benefits earned by employees through December 31, 2013, will remain in the Retirement Plans, and employees will continue to receive interest credits and, if applicable, vesting credits. Beginning January 1, 2014, CHI introduced a new 401(k) Retirement Savings Plan – see *CHI 401(k) Retirement Savings Plan* below for additional information.

Benefits in the Retirement Plans are based on compensation, retirement age and years of service. Vesting occurs over a five-year period. Substantially all of the Plans are qualified as church plans and are exempt from certain provisions of both the Employee Retirement Income Security Act and Pension Benefit Guaranty Corporation premiums and coverage. Funding requirements are determined through consultation with independent actuaries.

CHI recognizes the funded status (that is, the difference between the fair value of plan assets and the projected benefit obligations) of its Plans in the consolidated balance sheets, with a corresponding adjustment to net assets. Actuarial gains and losses that arise and are not recognized as net periodic pension cost in the same periods are recognized as a component of changes in net assets.

During fiscal year 2014 and 2013, CHI acquired the pension plan assets and liabilities of Harrison and Memorial, and Alegent and CHI St. Luke's (the Acquired plans), respectively, which are included below.

10. Retirement Plans (continued)

A summary of the changes in the benefit obligation, fair value of plan assets and funded status of the Plans at the June 30 measurement dates is as follows (in thousands):

	2014	2013
Change in benefit obligation:		
Benefit obligation, beginning of year	**$ 3,877,485**	$ 3,601,231
Service cost	**106,484**	205,037
Interest cost	**177,859**	151,763
Actuarial loss (gain)	**412,995**	(170,282)
Acquired plans	**165,506**	387,189
Transfers	**(3,728)**	–
Curtailments	**(267)**	(134,233)
Settlements	**(30,821)**	(17,931)
Benefits paid	**(230,258)**	(144,838)
Expenses paid	**(1,626)**	(451)
Benefit obligation, end of year	**4,473,629**	3,877,485
Change in the Plans' assets:		
Fair value of the Plans' assets, beginning of year	**3,404,633**	2,708,411
Actual return on the Plans' assets, net of expenses	**575,358**	309,522
Employer contributions	**123,763**	203,564
Acquired plans	**139,480**	346,273
Transfers	**(3,528)**	–
Settlements	**(30,551)**	(17,848)
Benefits paid	**(230,258)**	(144,838)
Expenses paid	**(1,626)**	(451)
Fair value of the Plans' assets, end of year	**3,977,271**	3,404,633
Funded status of the Plans	**$ (496,358)**	$ (472,852)
End-of-year values:		
Projected benefit obligation	**$ 4,473,629**	$ 3,877,485
Accumulated benefit obligation	**4,467,063**	3,844,708

10. Retirement Plans (continued)

During fiscal year 2014 and 2013, the Plans experienced two curtailment events. Plan design changes for certain Plans resulted in future service reductions in fiscal year 2014, and employee transitions in fiscal year 2013 resulted in an adjustment to the benefit obligation as of June 30, 2013.

Included in net assets at June 30, 2014, are unrecognized actuarial losses of $772.7 million that have not yet been recognized in net periodic pension cost. The actuarial losses included in net assets and expected to be recognized in net periodic pension cost during the fiscal year ending June 30, 2015, is $42.0 million.

The components of net periodic pension expense are as follows (in thousands):

	2014	2013
Components of net periodic pension expense:		
Service cost	**$ 106,484**	$ 205,037
Interest cost	**177,859**	151,763
Expected return on the Plans' assets	**(247,121)**	(220,236)
Actuarial losses	**32,733**	91,606
Amortization of prior service benefit	**78**	174
Curtailments	**296**	367
Settlements	**301**	45
	$ 70,630	$ 228,756
Weighted-average assumptions:		
Discount rate, beginning of year	**4.58%**	4.06%
Discount rate, end of year	**4.15**	4.58
Expected return on Plans' assets	**7.60**	7.75
Rate of compensation increase	**n/a**	3.75

The assumption for the expected return on the Plans' assets is based on historical returns and adherence to the asset allocations set forth in the Plans' investment policies. The expected return on the Plans' assets for determining pension cost was 7.60% in 2014 and 7.75% in 2013. The decrease in the discount rate to 4.15% at June 30, 2014, increased the pension benefit obligation by approximately $283.3 million.

10. Retirement Plans (continued)

A summary of the Plans' asset allocation targets, ranges by asset class and allocations by asset class at the measurement dates of June 30 is as follows:

	2014	2013	Target	Range
Fixed-income securities	**33.5%**	25.6%	27.5%	17.5–37.5%
Equity securities	**47.0**	55.1	50.0	40.0–60.0
Alternative investments	**19.5**	19.3	22.5	12.5–32.5

The Plans' assets are invested in a portfolio designed to preserve principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk. Diversification is achieved by allocating assets to various asset classes and investment styles and by retaining multiple investment managers with complementary philosophies, styles and approaches. Although the objective of the Plans is to maintain asset allocations close to target, temporary periods may exist where allocations are outside of the expected range due to market conditions. The use of leverage is prohibited except as specifically directed in the alternative investment allocation. The portfolio is managed on a basis consistent with the CHI social responsibility guidelines. Alternative investments of $234 million are illiquid and not available for redemption at the Plans' request.

The Plans' assets measured at fair value on a recurring basis were determined using the following inputs at June 30 (in thousands):

	2014			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Cash and short-term investments	**$ 223,904**	**$ 201,206**	**$ 22,698**	**$ –**
Marketable equity securities	**1,634,181**	**1,630,703**	**3,478**	**–**
Marketable fixed-income securities	**1,371,165**	**324,247**	**943,170**	**103,748**
Alternative investments	**748,021**	**–**	**–**	**748,021**
	$ 3,977,271	**$ 2,156,156**	**$ 969,346**	**$ 851,769**

10. Retirement Plans (continued)

	2013			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Cash and short-term investments	$ 115,586	$ 102,360	$ 13,226	$ –
Marketable equity securities	1,715,087	1,715,087	–	–
Marketable fixed-income securities	916,766	220,833	695,933	–
Alternative investments	657,194	–	–	657,194
	$ 3,404,633	$ 2,038,280	$ 709,159	$ 657,194

A summary of the changes in the fair value of the Plans' investments for which Level 3 inputs were used at the June 30 measurement dates is as follows (in thousands):

	2014	2013
Beginning investments at fair value	**$ 657,194**	$ 505,720
Purchases of investments	**189,680**	91,868
Proceeds from sale of investments	**(70,488)**	(47,376)
Net change in unrealized appreciation on investments and effect of foreign currency translation	**50,834**	12,778
Net realized gains on investments	**25,531**	25,424
Acquired plan investments	–	53,540
Net transfers (out of) into Level 3	**(982)**	15,240
Ending investments at fair value	**$ 851,769**	$ 657,194

10. Retirement Plans (continued)

CHI expects to contribute $15.0 million to the Plans in fiscal year 2015. A summary of expected benefits to be paid to the Plans' participants and beneficiaries is as follows (in thousands):

	Estimated Payments
Year ending June 30:	
2015	$ 235,323
2016	220,122
2017	236,598
2018	245,390
2019	256,854
2020–2024	1,443,265

CHI 401(k) Retirement Savings Plan

Effective on January 1, 2014, CHI introduced the CHI 401(k) Retirement Savings Plan (401(k) Savings Plan), which replaced the frozen Retirement Plan as an employee retirement benefit. Years of service under the Retirement Plan will automatically transfer to the 401(k) Savings Plan. An employee is fully vested in the plan for employer contributions after three years of service.

As part of the 401(k) Savings Plan, CHI will match 100.0% of the first 1.0% of eligible pay an employee contributes to the plan, and 50.0% of the next 5.0% of eligible pay contributed to the plan, for a maximum employer matching rate of 3.5% of eligible pay. On an annual basis and regardless of whether or not an employee participates in the 401(k) Savings Plan, CHI will also contribute 2.5% of eligible pay to an employee's 401(k) Savings Plan account. This contribution is made if an employee reaches 1,000 hours in the first year of employment or every calendar year thereafter, and is employed on the last day of the calendar year. For the period from January 1 through June 30, 2014, CHI recorded $80.4 million of expense related to the 401(k) Savings Plan.

11. Concentrations of Credit Risk

CHI grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. CHI's exposure to credit risk on patient accounts receivable is limited by the geographical diversity of its MBOs. The mix of net patient accounts receivable at June 30 approximated the following:

	2014	2013
Medicare	**27%**	28%
Medicaid	**12**	10
Managed care	**31**	31
Self-pay	7	7
Commercial and other	**23**	24
	100%	100%

CHI maintains long-term investments with various financial institutions and investment management firms through its investment program, and its policy is designed to limit exposure to any one institution or investment. Management does not believe there are significant concentrations of credit risk at June 30, 2014 and 2013.

12. Commitments and Contingencies

Litigation

During the normal course of business, CHI may become involved in litigation. Management assesses the probable outcome of unresolved litigation and records estimated settlements. After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of CHI.

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Management

12. Commitments and Contingencies (continued)

believes CHI is in compliance with all applicable laws and regulations of the Medicare and Medicaid programs. Compliance with such laws and regulations is complex and can be subject to future governmental interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. Certain CHI entities have been contacted by governmental agencies regarding alleged violations of Medicare practices for certain services. In the opinion of management after consultation with legal counsel, the ultimate outcome of these matters will not have a material adverse effect on CHI's consolidated financial position.

Operating Leases

CHI leases certain real estate and equipment under operating leases, which may include renewal options and escalation clauses. Future minimum lease payments required for the next five years and thereafter for all operating leases that have initial or remaining non-cancelable lease terms in excess of one year at June 30, 2014, are as follows (in thousands):

	Amounts Due
Year ending June 30:	
2015	$ 203,656
2016	136,211
2017	119,885
2018	101,828
2019	79,734
Thereafter	151,073
	$ 792,387

Lease expense under operating leases for continuing operations for the years ended June 30, 2014 and 2013, totaled approximately $285.9 million and $222.6 million, respectively.

13. Insurance Programs

FIIL, a wholly owned captive insurance company of CHI, provides hospital professional liability, employment practices liability, miscellaneous professional liability, and commercial general liability coverage, primarily to MBOs related to CHI either on a directly written basis or through reinsurance fronting relationships with commercial carriers such as PPIC. Policies

13. Insurance Programs (continued)

written provide coverage with primary limits in the amount of $10.0 million for each and every claim in fiscal years 2014 and 2013, respectively. For the policy year July 1, 2013 to July 1, 2014, there is an annual policy aggregate of $85.0 million eroded by hospital professional liability and commercial general liability claims, subject to a $175,000 continuing underlying per claim limit. Effective July 1, 2011, FIIL provided excess umbrella liability coverage for claims in excess of the underlying limits discussed above. The limits provided under such excess coverage are $200.0 million per claim and in the aggregate. FIIL reinsured 100% of the excess coverage layer with various commercial insurance companies. At June 30, 2014 and 2013, investments and assets limited as to use held for insurance purposes included $58.0 million and $55.0 million, respectively, held as collateral for the reinsurance fronting arrangement with PPIC.

FIIL provides workers' compensation coverage, either on a directly written basis or through reinsurance fronting relationships with commercial insurance carriers. Coverage of $350,000 in excess of $650,000 per claim for the policy year July 1, 2013 to July 1, 2014, and $500,000 in excess of $500,000 per claim for the policy year July 1, 2012 to July 1, 2013, is reinsured with an unrelated commercial carrier.

The liability for self-insured reserves and claims represents the estimated ultimate net cost of all reported and unreported losses incurred through June 30. The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-based valuations, statistical analyses and the expertise of an independent actuary.

The estimates for loss reserves are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are reviewed periodically, with consultation from independent actuaries, and any adjustments to the loss reserves are reflected in current operations. As a result of these reviews of claims experience, estimated reserves were reduced by $21.3 million and $48.5 million in 2014 and 2013, respectively. The reserves for unpaid losses and loss adjustment expenses relating to the workers' compensation program were discounted, assuming a 4.0% annual return at June 30, 2014 and 2013, to a present value of $159.1 million and $151.2 million at June 30, 2014 and 2013, respectively, and represented a discount of $52.3 million and $51.3 million in 2014 and 2013, respectively. Reserves related to professional liability, employment practices and general liability are not discounted.

13. Insurance Programs (continued)

FIIL holds $734.4 million and $751.9 million of investments held for insurance purposes as of June 30, 2014 and 2013, respectively. Distribution of amounts from FIIL to CHI are subject to the approval of the Cayman Island Monetary Authority. CHI established a captive management operation (Captive Management Initiatives, Ltd.) based in the Cayman Islands, which currently manages FIIL as well as operations of other unrelated parties.

CHI, through its Welfare Benefit Administration and Development Trust, provides comprehensive health and dental coverage to certain employees and dependents through a self-insured medical plan. Accounts payable and accrued expenses include $69.7 million and $51.0 million for unpaid claims and claims adjustment expenses for CHI's self-insured medical plan at June 30, 2014 and 2013, respectively. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are reviewed periodically and, as adjustments to the liability become necessary, such adjustments are reflected in current operations. CHI has stop-loss insurance to cover unusually high costs of care beyond a predetermined annual amount per enrolled participant.

14. Subsequent Events

CHI's management has evaluated events subsequent to June 30, 2014 through September 17, 2014, which is the date these consolidated financial statements were available to be issued. There have been no material events noted during this period that would either impact the results reflected herein or CHI's results going forward, except as disclosed below.

Effective in August 2014, CHI entered into a definitive agreement with St. Alexius Medical Center to form a regional, coordinated health system in central and western North Dakota. The affiliation is subject to approvals by state regulatory agencies and is anticipated to close by the end of the calendar year.

Effective in September 2014, CHI entered into a definitive agreement to become the sole sponsor of Sylvania Franciscan Health (SFH), which operates various health ministries in Ohio and Texas. The SFH sponsorship transfer is expected to be complete by the end of the calendar year, subject to board approval, and approval from various federal, state and Church authorities.

Reports on Federal Award Programs

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Stewardship Trustees
Kevin E. Lofton, President and Chief Executive Officer
Dean Swindle, President Enterprise Business Lines and
Chief Financial Officer
Catholic Health Initiatives

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Catholic Health Initiatives, which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Catholic Health Initiatives' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Health Initiatives' internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Health Initiatives' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catholic Health Initiatives' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

September 17, 2014

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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

The Board of Stewardship Trustees
Kevin E. Lofton, President and Chief Executive Officer
Dean Swindle, President Enterprise Business Lines and
Chief Financial Officer
Catholic Health Initiatives

Report on Compliance for Each Major Federal Program

We have audited Catholic Health Initiatives' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Catholic Health Initiatives' major federal programs for the year ended June 30, 2014. Catholic Health Initiatives' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Catholic Health Initiatives' consolidated financial statements include operations of Appletree Court, which received $855,504 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended June 30, 2014. Our audit, described below, did not include the operations of Appletree Court because Appletree Court engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on each of Catholic Health Initiatives' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance

about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Health Initiatives' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Catholic Health Initiatives' compliance.

Basis for Qualified Opinions on Major Federal Programs

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient, appropriate audit evidence supporting the compliance of Catholic Health Initiatives with CFDA 10.557 Special Supplemental Nutrition Programs for Women, Infants, and Children as described in Finding 2014-001 – Eligibility, consequently we were unable to determine whether Catholic Health Initiatives complied with those requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, Catholic Health Initiatives did not comply with requirements regarding the following:

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-002	93.889	National Bioterrorism Hospital Preparedness Program	Equipment and Real Property Management

Compliance with such requirements is necessary, in our opinion, for Catholic Health Initiatives to comply with requirements applicable to that program.

Qualified Opinion on Special Supplemental Nutrition Programs for Women, Infants, and Children

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinions on Major Federal Programs paragraph, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Special Supplemental Nutrition Programs for Women, Infants, and Children for the year ended June 30, 2014.

Qualified Opinion on National Bioterrorism Hospital Preparedness Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions on Major Federal Programs paragraph, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the National Bioterrorism Hospital Preparedness Program for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs that are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs and summarized in the table below. Our opinion on each major federal program is not modified with respect to these matters.

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-003	Various	Research and Development	Allowable Costs/Cost Principles
2014-004	Various	Research and Development	Cash Management
2014-005	93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Special Tests and Provisions

Catholic Health Initiatives' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Catholic Health Initiatives' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Catholic Health Initiatives is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Health Initiatives' internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Health Initiatives' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and summarized below to be material weaknesses:

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-002	93.889	National Bioterrorism Hospital Preparedness Program	Equipment and Real Property Management

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and summarized in the table below to be significant deficiencies:

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-003	Various	Research and Development	Allowable Costs/Cost Principles
2014-005	93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Special Tests and Provisions

Catholic Health Initiatives' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Catholic Health Initiatives' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the consolidated financial statements of Catholic Health Initiatives as of and for the year ended June 30, 2014, and have issued our report thereon dated September 17, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional

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procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

March 18, 2015

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Agriculture					
Pass-Through From:					
North Country Community Health Board					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HE-01661-03	$ –	$ 123,296	$ 123,296
Washington State Department of Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N1987300	–	68,773	68,773
Seattle – King County Department of Public Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CHS3221	–	228,713	228,713
Washington State Department of Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N20126	–	1,479,884	1,479,884
Total CFDA 10.557			–	1,900,666	1,900,666
Iowa Department of Education					
Child and Adult Care Food Program	10.558	778084	–	35,748	35,748
Pennslyvania Department of Education					
Child and Adult Care Food Program	10.558	300-06-000-1/300-06-556-0	–	41,350	41,350
Total CFDA 10.558			–	77,098	77,098
Washington State Department of Health					
WIC Farmers' Market Nutrition Program (FMNP)	10.572	N20126	–	780	780
Total U.S. Department of Agriculture			–	1,978,544	1,978,544
U.S. Department of Defense					
Department of Defense:					
Direct Award:					
Military Medical Research and Development	12.420		437,960	–	437,960
Pass-Through From:					
American Burn Association					
Military Medical Research and Development	12.420	W81XWH-08-1-0683	7,420	–	7,420
Wake Forest University					
Military Medical Research and Development	12.420	WFUHS 441039 CTA-09	67,177	–	67,177
Total CFDA 12.420			512,557	–	512,557
Total U.S. Department of Defense			512,557	–	512,557
U.S. Department of Housing and Urban Development					
Pass-Through From:					
Lancaster County Redevelopment Authority					
Community Development Block Grants/Entitlement Grants	14.218		–	14,876	14,876
City of Des Moines					
Supportive Housing Program	14.235	IA0037L7D021205/ IA0038L7D021205	–	503,483	503,483
Total U.S. Department of Housing and Urban Development			–	518,359	518,359
U.S. Department of Justice					
Pass-Through From:					
Colorado Department of Public Safety					
Division of Criminal Justice					
Violence Against Women Formula Grants	ARRA-16.588	12-VW-5-14/12-VW-17-32/ 13-VW-5-13/11-VW-17-39	–	93,941	93,941
Total U.S. Department of Justice			–	93,941	93,941

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Transportation					
Pass-Through From:					
Highway Safety Cluster:					
Minnesota Department of Public Safety					
State and Community Highway Safety	20.600	3-13785	$ –	$ 776	$ 776
Nebraska Office of Highway Safety					
State and Community Highway Safety	20.600	47-0379755	–	3,680	3,680
Minnesota Department of Public Safety					
Occupant Protection Incentive Grants	20.602	SAFE13-2013-STJOEHEALTH-00038	–	3,063	3,063
Nebraska Office of Highway Safety					
Occupant Protection Incentive Grants	20.602	405-14-12-06/405-14-12-02	–	9,956	9,956
Total Highway Safety Cluster			–	17,475	17,475
Total U.S. Department of Transportation			–	17,475	17,475
Environmental Protection Agency					
Direct Award:					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	97738001	–	17,983	17,983
Total Environmental Protection Agency			–	17,983	17,983
U.S. Department of Education					
Direct Awards:					
Student Financial Assistance Cluster:					
Federal Supplemental Education Opportunity Grants	84.007		–	46,586	46,586
Federal Work-Study Program	ARRA-84.033		–	10,000	10,000
Federal Pell Grant	ARRA-84.063		–	1,905,918	1,905,918
Federal Direct Student Loans	84.268		–	8,512,928	8,512,928
Total Student Financial Assistance Cluster (direct)			–	10,475,432	10,475,432
Pass-Through From:					
Des Moines Public Schools					
Title I Grants to Local Educational Agencies	84.010		–	7,224	7,224
Nebraska Department of Education					
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		–	40,000	40,000
New Jersey Department of Human Services					
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	70013	–	73,500	73,500
Total CFDA 84.126			–	113,500	113,500
The University of Louisville Research Foundation, Inc.					
National Institute on Disability and Rehabilitation Research	84.133	1OICI2-0162Z01	35,145	–	35,145
University of Nebraska Medical Center					
Special Education – Grants for Infants and Families	84.181	94-2810-248-1C4-12/ 94-2810-248-1C5-13/ 36-5507-1021-015	–	11,800	11,800
Total U.S. Department of Education			35,145	10,607,956	10,643,101

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services					
Direct Awards:					
Telehealth Programs	93.211		$ –	$ 32,140	$ 32,140
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		–	1,252,032	1,252,032
Rural Access to Emergency Devices Grant and Public Access to Defibrillation Demonstration Grant	93.259		–	133,102	133,102
Affordable Care Act (ACA) Nursing Assistant and Home Health Aide Program	93.503		–	192,606	192,606
Affordable Care Act Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents	93.621		–	971,655	971,655
Pass-Through From:					
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043		–	528	528
Aging Cluster:					
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044		–	5,144	5,144
Denver Regional Council of Governments					
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	EX13031	–	107,815	107,815
Total CFDA 93.044			–	112,959	112,959
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part C Nutrition Services	93.045		–	33,462	33,462
Area Agency on Aging of West Central Arkansas					
Nutrition Services Incentive Program	93.053		–	11,945	11,945
Total Aging Cluster (pass-through)			–	158,366	158,366
Colorado Division of Insurance					
Special Programs for the Aging Title IV and Title II Discretionary Projects	ARRA-93.048	OE SFA 13SMP000002	–	6,749	6,749
North Country Community Health Board					
Public Health Emergency Preparedness	93.069	47765/65492	–	26,832	26,832
Appanoose County Board of Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT03	–	13,291	13,291
Iowa Department of Public Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT65/5884BT64	–	27,077	27,077
Kansas Department of Health and Environment					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		–	127,000	127,000
Loess Hills Healthcare Coalition					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT37	–	1,669	1,669
Pennsylvania Department of Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	4100062712	–	35,301	35,301
Polk County Auditor's Office					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		–	57,703	57,703
Total CFDA 93.074			–	262,041	262,041

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Goodwill Easter Seals					
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	00-825-230-535/ 00-824-230-536	$ –	$ 78,125	$ 78,125
Health Resources and Services					
Maternal and Child Health Federal Consolidated Programs	93.110	5 H17MC25740-02-00/ 1 H17MC25740-01-00	–	30,773	30,773
Cincinnati Children's Hospital Medical Center					
Research Related to Deafness and Communication Disorders	93.173	5R01DC010202-02	46,116	–	46,116
The University of North Carolina					
Disease Prevention	93.184	5-42318	6,952	–	6,952
Nebraska Department of Health and Human Services					
Affordable Care Act (ACA) Abstinence Education Program	93.235	10395-Y3	–	52,990	52,990
CAHlink					
State Rural Hospital Flexibility Program	93.241		–	48,855	48,855
Nebraska Department of Health and Human Services					
State Rural Hospital Flexibility Program	93.241	20288-Y3	–	18,000	18,000
Nebraska Office of Rural Health					
State Rural Hospital Flexibility Program	93.241	20287-Y3/11460-Y3	–	66,000	66,000
University of North Dakota					
State Rural Hospital Flexibility Program	93.241	UND10098/UND10216	–	9,064	9,064
Total CFDA 93.241			–	141,919	141,919
Iowa Department of Public Health					
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243		–	76,346	76,346
North Country Community Health Board					
Universal Newborn Hearing Screening	93.251	3000001369	–	375	375
University of Texas Health Science Center					
Occupational Safety and Health Program	93.262	R01 OH009697-01A1	11,159	–	11,159
Nebraska Department of Health and Human Services					
Immunization Cooperative Agreements	93.268	5H23IP722562-09/ 5H23IP000756-02	–	6,982	6,982
North Country Community Health Board					
Immunization Cooperative Agreements	93.268		–	300	300
Total CFDA 93.268			–	7,282	7,282
American Psychological Association					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	8,000	8,000
Iowa Department of Public Health					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5884NB01	–	14,972	14,972
Kentuckiana Regional Planning					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	412	412
North Country Community Health Board					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	3,400	3,400
North Dakota Department of Health					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	4521HLH3214003	–	5,000	5,000
Total CFDA 93.283			–	31,784	31,784

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
CAHlink					
Small Rural Hospital Improvement Grant Program	93.301		$ –	$ 69,037	$ 69,037
Iowa Department of Public Health					
Small Rural Hospital Improvement Grant Program	93.301	5884SH01/5883SH72/ 5884SH69	–	22,248	22,248
Minnesota Department of Health					
Small Rural Hospital Improvement Grant Program	93.301	3000009908	–	27,441	27,441
Nebraska Office of Rural Health					
Small Rural Hospital Improvement Grant Program	93.301		–	9,563	9,563
University of North Dakota					
Small Rural Hospital Improvement Grant Program	93.301	UND10073/UND10195/ UND10178/UND10189/ UND10191/UND10071/ UND10085	–	43,170	43,170
Washington Department of Health					
Small Rural Hospital Improvement Grant Program	93.301	N19856	–	9,000	9,000
Total CFDA 93.301			–	180,459	180,459
Oregon Health & Science University					
Cancer Treatment Research	93.395	27469-76	9,175	–	9,175
The University of Louisville Research Foundation					
Cancer Research Manpower	93.398		11,603	–	11,603
State of Colorado Department of Human Services					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	14 IHA 61336	–	381,921	381,921
State of Colorado Department of Public Health and Environment					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	13 FLA 50476	–	138,171	138,171
North Country Community Health Board					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	56659	–	210,287	210,287
Total CFDA 93.505			–	730,379	730,379
Kitsap Public Health District					
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchange	93.525	1168	–	8,484	8,484
North Country Community Health Board					
PPHF Community Transformation Grants and National Dissemination and Support for Community Transformation Grants – financed solely by Prevention and Public Health Funds	93.531	3000006587	–	22,453	22,453
North Country Community Health Board Services					
Temporary Assistance for Needy Families	93.558		–	45,627	45,627
Nebraska Department of Health and Human Services					
Refugee and Entrant Assistance – State Administered Programs	93.566		–	633,646	633,646
Iowa Department of Human Services					
Child Care and Development Block Grant	93.575	ACFS 12-029	–	367,136	367,136
University of Alabama at Birmingham					
Health Care Innovations Awards (HCIA)	93.610	000432302-002	281,496	–	281,496
Area Agency on Aging of West Central Arkansas					
Social Services Block Grant	93.667		–	8,787	8,787

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
North Country Community Health Board Services					
Medical Assistance Program	93.778	GRK 36406	$ –	$ 65,423	$ 65,423
Colorado Division of Insurance					
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	OE SFA 14SHIP00003/ OE SFA 15SHIP00003	–	46,786	46,786
Washington University					
Blood Diseases and Resources Research	93.839	5U01HL088476	22,000	–	22,000
Drexel University					
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	232486	5,615	–	5,615
University of Medicine and Dentistry of New Jersey					
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	88285	850	–	850
University of North Dakota					
Child Health and Human Development Extramural Research	93.865		–	15,091	15,091
Iowa Department of Public Health					
National Bioterrorism Hospital Preparedness Program	93.889	5883BHP62/5883BHP61 5883BHP63/5883BHP88 5883BHP14/5883BHP15	–	32,893	32,893
Oregon Health Authority					
National Bioterrorism Hospital Preparedness Program	93.889	139896/143824	–	1,983	1,983
Sanford Bemidji Medical Center					
National Bioterrorism Hospital Preparedness Program	93.889		–	10,408	10,408
Tennessee Department of Health					
National Bioterrorism Hospital Preparedness Program	93.889	GE1439973/GE1439968	–	51,000	51,000
West Central Minnesota Healthcare System					
National Bioterrorism Hospital Preparedness Program	93.889		–	3,910	3,910
Washington State Department of Health Washington State Hospital Association					
National Bioterrorism Hospital Preparedness Program	93.889	U3REP090228-02-00	–	22,252	22,252
Total CFDA 93.889			–	122,446	122,446
Madison County Memorial Hospital					
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912		–	72,438	72,438
University of Louisville Research Foundation					
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	ULRF 14-0728	13,750	–	13,750
Iowa Department of Health and Human Services					
Block Grants for Community Mental Health Services	93.958	MDHA11-053/ MDHS11-054	–	49,405	49,405
New Jersey Department of Human Services					
Block Grants for Community Mental Health Services	93.958	30305	–	315,957	315,957
Total CFDA 93.958			–	365,362	365,362
Minnesota Department of Human Services					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	29214	–	205,947	205,947

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Nebraska Department of Health and Human Services					
Preventive Health and Health Services Block Grant	93.991	2B01 DP009036-13	$ –	$ 4,020	$ 4,020
Washington State Department of Commerce – Community Services and Housing Division					
Preventive Health and Health Services Block Grant	93.991	#13-31110-1678/ #14-31110-168	–	12,011	12,011
Total CFDA 93.991			–	16,031	16,031
North Country Community Health Board Services					
Maternal and Child Health Services Block Grant to the States	93.994		–	32,670	32,670
Total U.S. Department of Health and Human Services			408,716	6,394,810	6,803,526
Corporation for National and Community Service					
Pass-Through From:					
Foundation for a Healthy Kentucky					
Social Innovation Fund	94.019	2012KHFI013	–	106,112	106,112
Total Corporation for National and Community Service			–	106,112	106,112
U.S. Department of Homeland Security					
Pass-Through From:					
Commonwealth of Kentucky Department of Military Affairs Division of Emergency Management					
Hazard Mitigation Grant	97.039	HMGP DR-1855-0018-R	–	88,503	88,503
Total U.S. Department of Homeland Security			–	88,503	88,503
Total Expenditures of Federal Awards			$ 956,418	$ 19,823,683	$ 20,780,101

See accompanying notes to schedule of expenditures of federal awards.

Catholic Health Initiatives

Notes to Schedule of Expenditures of Federal Awards

June 30, 2014

1. General

The schedule of expenditures of federal awards (SEFA) presents expenditures for all federal programs that were in effect during the year ended June 30, 2014, for Catholic Health Initiatives (CHI), with one exception. Federal expenditures in the amount of $855,504 for CFDA 14.157 – Supportive Housing for the Elderly are not presented in the SEFA as a separate audit was performed as required by the U.S. Department of Housing and Urban Development (HUD).

For purposes of the SEFA, federal awards include all federal assistance entered into directly between CHI and the federal government and sub-awards from nonfederal organizations made under federally sponsored agreements. The SEFA does not include payments received under Medicare and Medicaid reimbursement programs.

2. Basis of Accounting

Expenditures are reported on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The information in the SEFA is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

3. Federal Student Loans

CHI participates in the Federal Direct Student Loans program (CFDA 84.268), which includes the Federal Stafford Loan and the Federal Parent Loans for Undergraduate Students programs. New loans disbursed during the fiscal year ended June 30, 2014, totaled $8,512,928. Loans under the Federal Direct Student Loans program are made directly by the federal government to students. New loans made in the fiscal year ended June 30, 2014, relating to this program are represented as current year federal expenditures, whereas the outstanding loan balances are not.

4. Subrecipients

Of the federal expenditures represented in the SEFA, CHI provided federal awards to subrecipients as follows:

CFDA – Program Title	Amount
12.420 – Military Medical Research and Development	$ 441,223

Catholic Health Initiatives

Schedule of Findings and Questioned Costs

Year Ended June 30, 2014

Part I – Summary of Auditor's Results

Financial statements section

Type of auditor's report issued (unmodified, qualified, adverse, or disclaimer):	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ **Yes**	X **No**
Significant deficiency(ies) identified?	____ **Yes**	X **None reported**
Noncompliance material to financial statements noted?	____ **Yes**	X **No**

Federal awards section

Internal control over major programs:		
Material weakness(es) identified?	X **Yes**	____ **No**
Significant deficiency(ies) identified?	X **Yes**	____ **None reported**
Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse, or disclaimer):	Unmodified for all major programs, except for Special Supplemental Nutrition Program for Women, Infants, and Children, and National Bioterrorism Hospital Preparedness Program, which were qualified	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	X **Yes**	____ **No**

Catholic Health Initiatives

Schedule of Findings and Questioned Costs (continued)

Part I – Summary of Auditor's Results (continued)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, ARRA-84.033, ARRA-84.063, 84.268	Student Financial Assistance Cluster
Various	Research and Development Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program
93.566	Refugee and Entrant Assistance – State Administered Programs
93.575	Child Care and Development Block Grant
93.621	Affordable Care Act Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents
93.889	National Bioterrorism Hospital Preparedness Program
93.958	Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs: $ 309,140

Auditee qualified as low-risk auditee? _____ **Yes** __X__ **No**

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the consolidated financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

There were no financial statement findings.

Part III – Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Finding 2014-001 – Eligibility

Federal program information:	U.S. Department of Agriculture CFDA 10.557 – Special Supplemental Nutrition Programs for Women, Infants, and Children (WIC) Passed Through Washington State Department of Health – St. Clare Hospital (N20126) Passed through Department of Public Health, Seattle and King County – Highline Medical Center (CHS3221) Passed through North Country Community Health Board – St. Joseph's Area Health Services and Lakewood Health Center
Criteria or specific requirement (including statutory, regulatory or other citation):	Scope Limitation – Eligibility per OMB Circular A-133 Section .5102(5) the auditor should report a finding when the auditor's report on compliance is other than unqualified.
Condition:	CHI was unable to provide sufficient documentation at St. Clare Hospital in Tacoma, Washington, supporting eligibility determinations made for WIC program participants due to the use of a paperless software system required by the State of Washington and the U.S. Department of Agriculture.
Questioned costs:	$0
Context:	Upon the screening of an individual for eligibility for participation in the WIC program, St. Clare Hospital reviews the support for income, residency, etc., and documents the applicant's eligibility in a software program required by the State of Washington and the U.S. Department of Agriculture. Based upon the inputs from screening, the software program indicates whether or not an individual is eligible for WIC. However, St. Clare Hospital is not required to and does not retain evidence of what was documented in the software program.

Effect:	We are not able to test eligibility compliance or controls over compliance for the WIC program at St. Clare Hospital resulting in a scope limitation. Due to the scope limitation at St. Clare Hospital, which accounted for 78% of the WIC expenditures, the scope limitation is reported for the WIC program overall.
Cause:	The paperless software system used for the WIC program at St. Clare Hospital does not require the retention of records supporting eligibility determination, and such records are not retained.
Recommendation:	None.
Views of responsible officials and planned corrective actions:	A scope limitation qualified opinion was issued for Catalog of Federal Domestic Assistance (CFDA) 10.557 – Special Supplemental Nutrition Programs for Women, Infants, and Children (WIC) as the auditors were unable to obtain sufficient documentation supporting the compliance of St. Clare Hospital regarding eligibility for participants. St. Clare Hospital uses a paperless software system as required by the State of Washington and the U.S. Department of Agriculture. Third-party documentation is reviewed by St. Clare Hospital at the time the initial eligibility determination of a WIC participant is made. However, due to the paperless system, these records are not retained. The grantor, State of Washington, has been informed of this finding in prior years and has stated that they do not sustain this finding and that no corrective action is required. As a result, no further corrective action will be taken. CHI notes that this issue is isolated to St. Clare Hospital and does not apply to the other CHI locations that receive funding from the WIC program.

Finding 2014-002 – Material Weakness – Equipment and Real Property Management

Federal program information:	U.S. Department of Health and Human Services (HHS) CFDA 93.889 – National Bioterrorism Hospital Preparedness Program (HPP)
Criteria or specific requirement (including statutory, regulatory or other citation):	In accordance with 2 CFR Section 215.34(f), codified by HHS at 45 CFR Section 74.34(f), property management records for equipment acquired with federal funds shall include all of the following: description of equipment; serial number, model number, or other identification number; source of the equipment, including the award number, whether the title vests in the recipient or federal government; acquisition date; location and condition of equipment; unit acquisition cost; and ultimate disposition date. Also, the recipient shall take a physical inventory of equipment and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
Condition:	CHI's property management records for equipment acquired with federal HPP funds do not include equipment from grant inception to date and also do not include all of the required information. Physical inventories were not performed or documented adequately for the HPP within the last two years.
Questioned costs:	$0

Context:	CHI did not provide equipment listings, to include equipment purchases for previous years, for the HPP. For HPP – Memorial Health Care System, a list of current year equipment additions was provided and the list included all of the required information for those equipment items; however, no prior year equipment purchases were included on the list. CHI did not provide evidence of a physical inventory of HPP equipment being performed in the last two years.
Effect:	Misappropriation or loss of equipment purchased with federal funds could occur when internal controls designed to prevent and detect noncompliance related to safeguarding and identifying federal equipment are not implemented or operating effectively.
Cause:	Proper controls were not fully implemented to appropriately record equipment information in the system after the equipment was received and tagged and to perform the required physical inventories every two years.
Recommendation:	All equipment purchased with federal funds should be appropriately tagged, and a detailed listing should be maintained with all of the required elements. This listing should include equipment acquired with federal funds from grant inception. A physical inventory observation of federally funded equipment should be performed and documented every two years. The physical inventory could be useful to compile lists of equipment acquired in previous years that were not originally included in equipment listings when purchased.
Views of responsible officials and planned corrective actions:	During FY2015, CHI will compile a listing of HPP equipment purchased with federal funds since program inception that will include all required attributes. CHI will also perform an inventory in FY2015 of this equipment.

Finding 2014-003 – Significant Deficiency – Allowable Costs/Cost Principles

Federal program information:	U.S. Department of Health and Human Services U.S. Department of Education Research and Development Cluster Jewish Hospital and St. Mary's Health Care, Inc. (Jewish) – CFDA 84.133 passed through the University of Louisville Research Foundation, Inc., and CFDA 93.846 passed through Drexel University (11012367) CHI Institute for Research and Innovation – CFDA 93.610 passed through the University of Alabama at Birmingham
Criteria or specific requirement (including statutory, regulatory or other citation):	As required by CFR 45 Part 74 Appendix E and OMB A-122, Attachment B, Paragraph 7, the distribution of salaries and wages must be supported by personnel activity reports for each employee whose compensation is charged in whole or in part to the award. The reports must reflect an assessment of actual activity for each employee, must account for the total activity for which the employee is compensated, must be prepared at least monthly, must coincide with one or more pay periods, and must be signed by the individual employee or a supervisory official having firsthand knowledge of the activities performed by the employee. Budget estimates should not be used as support for expenditures.
Condition:	For award 93.846, each month, the Data Coordinator would invoice Drexel University for the budgeted monthly amount of $1,500 instead of the actual hours spent on the grant. The actual costs incurred working on the grant were lower than the reimbursement requested by $7,885. Additionally, for two selections, time records for December 2013 and January 2014 pay, totaling $241, were not completed with employee and supervisor approval until June 2014. For one selection, the time record for pay, totaling $69, approval was completed in August 2014, reflecting three hours were worked on the grant, although four hours were

	charged to the grant for the pay period, resulting in an excess request of $17. For award 84.133, for two selections, time records for April and May 2014 pay, totaling $3,224, were not completed until July/August 2014. For award 93.610, for one employee selection, $2,855 in salary expenses was requested for reimbursement from grantor in excess of actual expenses.
Questioned costs:	93.846: $8,143 84.133: $3,224 93.610: $2,855
Context:	For awards 84.133 and 93.846, for five of the time records that were selected for testing, only one of the time records was approved timely in accordance with the regulations. Total salary expenditures for CFDA 93.846 and 84.133 totaled $3,758 and $35,145, respectively. For award 93.610, for one of five employee selections, $2,855 in salary expenses was requested for reimbursement from grantor in excess of actual expenditures. Total salary expenditures for CFDA 93.610 totaled $249,965.
Effect:	Actual expenditures were not charged to the grant. Additionally, payroll expenditures were not properly supported at the time the expenditures were charged to the federal program.
Cause:	Proper controls were not implemented to appropriately track and bill time and expenditures in accordance with the grant requirements.

Recommendation:	Personnel activity reports or time and effort records should be prepared at least monthly and coincide with one or more pay periods for employees who charge time to federal programs and be signed by the employee or supervisory official having firsthand knowledge of the activities performed by the employee. Amounts billed to the awarding agency should be for actual time incurred and not based upon budget and should not exceed actual expenditures.
Views of responsible officials and planned corrective actions:	CHI will implement a time and effort reporting policy during FY2015 that incorporates all of the federal requirements.

Finding 2014-004 – Cash Management

Federal program information:	U.S. Department of Defense U.S. Army Medical Command Research and Development Cluster Jewish Hospital and St. Mary's Health Care, Inc. (Jewish) – CFDA 12.420 – Military Medical Research and Development passed through Wake Forest University (WFUHS 441039 CTA-09)
Criteria or specific requirement (including statutory, regulatory or other citation):	OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* requires (a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. (b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain: (1) written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and (2) financial management systems that meet the standards for fund control and accountability as established in Section __.21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs. (g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

Condition:	For CFDA 12.420 – Military Medical Research and Development, WFUHS 441039 CTA-09, the grant terms are on a reimbursement basis. The reimbursement requests were submitted to and received from the pass-through agency prior to paying the subrecipient. Additionally, one of the checks received through the bank lock box by Jewish for $7,421 was made payable to Jewish's subrecipient by Wake Forest University; however, Jewish cashed the check rather than returning the check to Wake Forest University.
Questioned costs:	$7,421
Context:	CFDA 12.420 WFUHS 441039 CTA-09 represents $67,177 or 7% of total R&D Cluster expenditures; of this amount $57,730 was passed through to subrecipients by Jewish representing 6% of total R&D Cluster expenditures. The payment to the subrecipients occurred as follows: Reimbursement #1: $59,755 requested funds June 11, 2014, received funds June 19, 2014, paid funds to the subrecipient Sepetember 18, 2014 and September 9, 2014, respectively. Reimbursement #2: $7,421 requested funds July 9, 2014, received funds July 17, 2014, paid funds to the subrecipient October 23, 2014. Additionally, the check received on July 17, 2014, was made payable to the subrecipient directly by Wake Forest University but was cashed via a lock box deposit by Jewish and then Jewish paid the subrecipient.
Effect:	Program funds were requested before program costs were incurred by Jewish, so the grant was not in accordance with the terms of the grant agreement. Federal funds received that were not made payable to Jewish were not returned to the pass-through entity.
Cause:	The delay in payment to the subrecipient was due to the transition period of the Grant Manager position. The check that was cashed by Jewish was processed through the lock box.

Recommendation:	For grants on a reimbursement basis, program costs should be paid for by CHI funds before reimbursement is requested from the pass-through entity. Checks should be returned to the pass-through entity if they are not made payable to Jewish.
Views of responsible officials and planned corrective actions:	CHI implemented a Cash Management policy during FY2013 that incorporates all of the federal requirements. Personnel at Jewish have been informed of the policy and will comply with requirements in the future.

Finding 2014-005 – Significant Deficiency – Special Tests and Provisions

Federal program information:	U.S. Department of Health and Human Services (HHS) CFDA 93.224 – Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) – Good Samaritan Hospital, Dayton, Ohio
Criteria or specific requirement (including statutory, regulatory or other citation):	Financial Management and Control Policies Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability. Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report. (Section 330(k)(3)(D) and (q) of the PHS Act and 45 CFR Parts 74.14, 74.21, and 74.26). Board Authority Health center governing board maintains appropriate authority to oversee the operations of the center. (Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c.304). Unless a requirement for a governing board is waived by Health Resources Services Administration (HRSA) or the center is operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act or an urban Indian organization under the Indian Health Care Improvement Act, the health center must have a governing board that (1) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center; (2) meets at least once a month; (3) selects the services to be provided by the center; (4) schedules the hours during which services will be provided by the center; (5) approves the center's annual budget; (6) approves the selection of a director for the center;

	and (7) except in the case of a public center, establishes general policies for the center (42 USC 254b(k)(3)(H)).
Condition:	Financial Management and Control Policies Samaritan Homeless Clinic, a department of Good Samaritan Hospital, developed its budget in a manner that shows anticipated federal and nonfederal resources needed to carry out the project, as required by HRSA, but it does not track the actual expenditure of federal and nonfederal funds at the transaction level. The chart of accounts provides sufficient code structure to properly assign income and expenses to all departments at a high level of detail, but it had no provision that allows Samaritan Homeless Clinic to distinguish between federal and nonfederal transactions, as required by Policy Information Notice (PIN) 2013-01. Board Authority Samaritan Homeless Clinic received a waiver in 2005 that negated the HRSA requirement of monthly board meetings. That waiver was deemed ineffective by HRSA as of January 1, 2014, by PIN 2014-01 that was sent electronically to Samaritan Homeless Clinic by its HRSA Program Officer in January 2014. Samaritan Homeless Clinic was operating under its own advisory committee, which had no authority; however, in accordance with program requirements, Samaritan Homeless Clinic must be operating under the grantee's (Good Samaritan Hospital) board. Samaritan Homeless Clinic is considered a department of Good Samaritan Hospital and, as such, may not operate under its own board. As a result, Good Samaritan Hospital was not maintaining appropriate board authority to oversee operations of Samaritan Homeless Clinic, and the board was not meeting monthly in accordance with the requirements.
Questioned costs:	$0

Context:	We noted and tested controls and compliance for nine requirements under special tests and provisions for the Consolidated Health Centers program in relation to Samaritan Homeless Clinic. For two of nine requirements, we noted noncompliance as discussed above related to financial management and control policies and board authority.
Effect:	Good Samaritan Hospital is noncompliant with special tests and provisions related to the federal program. Due to the board authority finding, Good Samaritan Hospital sent notice to HRSA in November 2014 of its intent to relinquish the grant and request transfer to another entity for the remainder of the project period, from June 1, 2015 through October 31, 2015.
Cause:	Samaritan Homeless Clinic was not aware that a separate chart of accounts was needed for federal versus nonfederal transactions. The waiver received by Samaritan Homeless Clinic in 2005 that negated the HRSA requirement of monthly board meetings was deemed ineffective by HRSA as of January 1, 2014, by PIN 2014-01.
Recommendation:	Financial and Management Controls Good Samaritan Hospital should develop additional account code structure in its chart of accounts to permit it to account for and monitor the actual use of federal and nonfederal resources in a manner consistent with its approved budget. Board Authority Good Samaritan Hospital's board should maintain appropriate authority to oversee the operations of the health center and become compliant with all of aspects related to the federal program requirements over board authority or discuss other alternatives with the funding agency.

Views of responsible officials and planned corrective actions:	Good Samaritan Hospital submitted its intent to relinquish this grant as of June 1, 2015, due to its inability to meet the Board Authority requirement. As of November 1, 2014, the start of the new grant budget period, new accounts were implemented to allow for the separate tracking of expenditures paid for with federal funds. This separate tracking will be maintained until transfer of the grant is complete.

Catholic Health Initiatives

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2014

Finding 2013-001 – SEFA Preparation – Reporting

Current Status: This finding has been corrected. During FY2014, CHI centralized the grant accounting function and has implemented the grant module within its accounting system. The implementation of this module has given CHI a tool to effectively accumulate and report federal expenditures. Within this module, cluster information is stored which ensures the correct classification of research and development grants.

Finding 2013-002 – Eligibility – CFDA 10.557

Current Status: This finding has been repeated as finding 2014-001. Franciscan Medical Group's St. Clare Hospital uses a paperless software system as required by the State of Washington and the U.S. Department of Agriculture. Third-party documentation is reviewed by St. Clare Hospital at the time the initial eligibility determination of a WIC participant is made. However, due to the paperless system, these records are not retained. Since St. Clare Hospital follows the paperless system as required by the grantor, no further corrective action will be taken.

Finding 2013-003 – Procurement – CFDA 10.855, 93.887, 93.889, 93.958, and 93.621

Current Status: This finding has been corrected. During FY2014, CHI implemented a national procurement policy for federal grant funded purchases.

Finding 2013-004 – Equipment and Real Property Management – CFDA 10.855, 93.887, and 93.889

Current Status: This finding has been repeated as finding 2014-002. During FY2014, CHI implemented attributes in its fixed asset accounting module to store the required attributes for assets purchased with federal grant funds in FY2014 and forward. Physical inventories of equipment purchased with federal grant funds are planned for FY2015.

Finding 2013-005 – Allowable Costs/Cost Principles – CFDA 93.889 and 93.958 and R&D Cluster

Current Status: This finding has been repeated as finding 2014-003. CHI began to enforce time and effort reporting requirements in FY2014. In FY2015, a time and effort reporting policy will be implemented and enforced.

Finding 2013-006 – Procurement and Suspension and Debarment – CFDA 10.855

Current Status: This finding has been corrected. During FY2014, CHI implemented a national procurement policy for federal grant funded purchases.

Finding 2013-007 – Cash Management – CFDA 93.621

Current Status: CHI resolved this finding with the grantor agency prior to the issuance of the FY2013 audit report. This finding resulted from a misunderstanding of whether the grant operated on a reimbursement versus cash advance basis.

Finding 2013-008 –Reporting – CFDA 10.855

Current Status: CHI resolved this finding by filing the 2013 report as required and included activity that took place over the term of the grant.

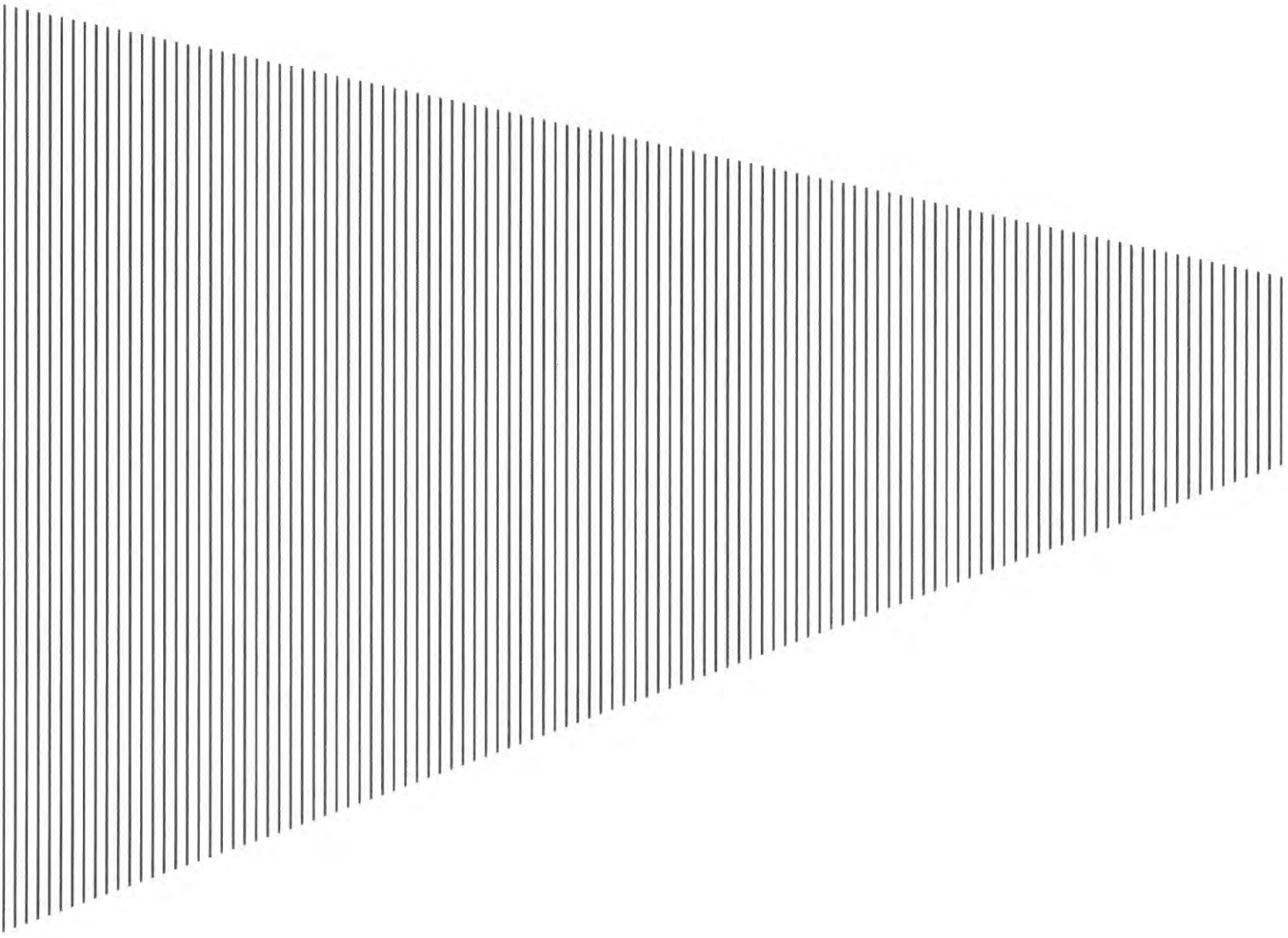
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AMENDED AND RESTATED ARTICLES OF INCORPORATION OF JEWISH HOSPITAL HEALTHCARE SERVICES, INC.

Certificate

1. I am the duly elected and acting Vice President of Jewish Hospital HealthCare Services, Inc. (the "Corporation").

2. The Corporation's Amended and Restated Articles of Incorporation (the "Restated Articles") are attached as Annex A to this Certificate and contain amendments to the Articles of Incorporation requiring approval by the Board of Directors and the sole member of the Corporation.

3. The information required by KRS 273.273 is as follows:

(a) The name of the Corporation is Jewish Hospital HealthCare Services, Inc.

(b) The Restated Articles:

(1) Amend Article I;
(2) Amend Article II and renumber it as Article IV;
(3) Add a new Article II;
(4) Amend Article III;
(5) Amend Article IV and renumber it as Article VI;
(6) Amend Article V and renumber it as Article VIII;
(7) Add a new Article V;
(8) Delete Article VI;
(9) Amend Article VII;
(10) Amend Article VIII and renumber it as Article X;
(11) Add a new Article IX and Article XI.

(c) The Amendments were approved and adopted by the Corporation's member by written consent dated October 28, 2005 and by a majority of the members of its Board of Directors at a duly called meeting of the Board held on September 28, 2005.

(d) The Amended and Restated Articles of Incorporation shall be effective at 12:00:01 a.m. EST on November 1, 2005.

IN WITNESS WHEREOF, I have signed this certificate on October 28, 2005.

JEWISH HOSPITAL HEALTHCARE SERVICES, INC.

By Kathleen M. Hudson

Title: Vice President

ANNEX A

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF JEWISH HOSPITAL HEALTHCARE SERVICES, INC.

These Amended and Restated Articles of Incorporation of Jewish Hospital HealthCare Services, Inc. (the "Corporation") correctly set forth the provisions of the Articles of Incorporation of the Corporation, have been duly adopted as required by the Kentucky Nonprofit Corporation Act and supersede the original Articles of Incorporation of the Corporation and all amendments thereto.

ARTICLE I
Name

The name of the corporation is Jewish Hospital & St. Mary's HealthCare, Inc. (the "Corporation").

ARTICLE II
Nonprofit Corporation

The Corporation is a nonprofit corporation.

ARTICLE III
Duration

The period of duration of the Corporation shall be perpetual.

ARTICLE IV
Purposes and Powers

SECTION 4.1 Subject to all of the terms and conditions set forth in these Articles of Incorporation, the Corporation is organized, and will be operated, exclusively for charitable, scientific, and educational purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future Federal tax code (the "Code").

SECTION 4.2 In furtherance of the foregoing purposes, the Corporation shall:

(a) Carry on activities that promote the general health of the communities served by the Corporation;

(b) At all times operate in a manner that complies with the requirements of the community benefit standard set forth in Revenue Ruling 69-545 or with such future standards for

tax exemption of healthcare organizations described in Section 501(c)(3) of the Code as may be applicable from time to time;

(c) Participate in the operations of and/or operate such healthcare facilities, services and programs as it deems appropriate for the care of persons suffering from illness or disability;

(d) Carry on educational programs relating to the care of the sick and injured, or to the promotion of health;

(e) Participate in activities designed to promote and enhance the general health of the community and/or the relief of poverty in the community, and/or to lessen the burdens of government in the community, including, for example, governmental programs such as Medicare or Medicaid;

(f) Advocate for systemic change with an emphasis on human dignity and social justice, and specific concern for persons who are poor, alienated and underserved;

(g) Operate for the benefit of, make grants in accordance with the Affiliation Agreement (as defined below) to, to perform the functions of, and/or to carry out the charitable, scientific, and educational purposes and activities each of its Corporate Members (and any members of its Corporate Members) for so long as the Corporate Member (or any member of such Corporate Member, as the case may be) is an organization exempt from Federal income tax under Section 501 (a) of the Code by reason of being an organization described in Section 501 (c)(3) of the Code;

(h) Use its surplus funds (excess of revenues over expenses), if any, to improve the quality of patient care, expand facilities, advance medical training, education, and research programs, and/or to further activities in support of any other tax exempt purposes of the Corporation described in this Article IV; and

(i) Conduct any other activity in furtherance of or complementary to any one or more of the foregoing purposes.

SECTION 4.3 Notwithstanding any other provision of these Articles:

(a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to private parties such as trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for property and capital provided and services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article IV;

(b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation;

(c) The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office; and

(d) The Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 (c)(3) of the Code.

SECTION 4.4 If the Corporation shall ever be classified as a private foundation under Section 509(a) of the Code, the following provisions shall apply during the period that the Corporation is so classified:

(a) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by Section 4942 of the Code.

(b) The Corporation shall not engage in any act of self-dealing as defined in Section 4941 of the Code.

(c) The Corporation shall not retain any excess business holdings as defined in Section 4943 of the Code.

(d) The Corporation shall not make any taxable expenditures as defined in Section 4945 of the Code.

(e) The Corporation shall not make any investments that would jeopardize the carrying out of any exempt purposes of the corporation within the meaning of Section 4944 of the Code.

ARTICLE V
Mailing Address

The mailing address at the Corporation's principal office is:

Jewish Hospital & St. Mary's HealthCare, Inc.
217 East Chestnut Street
Louisville, Kentucky 40202
Attn: President & Chief Executive Officer

ARTICLE VI
Registered Office and Agent

The street address of the Corporation's registered office and the name of its registered agent at that address is:

Robert L. Shircliff
Jewish Hospital & St. Mary's HealthCare, Inc.
217 East Chestnut Street
Louisville, Kentucky 40202

ARTICLE VII
Members

SECTION 7.1 The members of the Corporation shall be CHI Kentucky, Inc., a Kentucky nonprofit corporation, and JH Parent, Inc., a Kentucky nonprofit corporation (the "Corporate Members"). Subject to the Corporation's Articles of Incorporation, Bylaws and the Affiliation Agreement, dated as of October 3, 2005, among the Corporate Members and certain other parties named therein (the "Affiliation Agreement"), the Corporate Members shall have all rights, powers and privileges, including voting rights, granted under the laws of the Commonwealth of Kentucky. Except as otherwise agreed to in writing by the Corporate Members (including the Bylaws and Affiliation Agreement), (a) the Corporate Members shall not be required to pay membership fees (whether designated as dues, fees, assessments, contributions or otherwise) for the right to be a member of the Corporation, (b) the Corporate Members may not be expelled, suspended or removed, nor shall any rights or powers of the Corporate Members be restricted, deleted, reduced or limited, without the Corporate Members' written consent and (c) the Corporate Members shall not have any personal liability for the obligations of the Corporation.

SECTION 7.2 In addition to the rights and powers granted by the laws of the Commonwealth of Kentucky, the Corporate Members shall have such rights and powers with respect to the governance of the Corporation as may from time to time be set forth in the Affiliation Agreement and the Bylaws of the Corporation.

ARTICLE VIII
Trustees

SECTION 8.1 Subject to the terms and conditions of the Corporation's Articles and Bylaws, as in effect from time to time, the activities and affairs of the Corporation shall be governed by a Board of Trustees consisting of not less than fifteen (15) members, the exact number to be set in the manner provided in the Bylaws. Each Trustee shall continue as a Trustee as provided in the Bylaws.

SECTION 8.2 The Board of Trustees of the Corporation shall at all times operate pursuant to a substantial conflicts of interest policy to protect the Corporation's interest when the Corporation is contemplating entering into a transaction or arrangement that might benefit the private interest of any private party, including a trustee or officer of the Corporation, or any member of any committee of the Corporation exercising Board-delegated powers. This conflicts of interest policy shall supplement but not replace any applicable state laws governing conflicts of interest and/or transactions with financially interested parties that is applicable to nonprofit and charitable corporations in Kentucky.

ARTICLE IX
Limitation of Trustee Liability

SECTION 9.1 No Trustee shall be personally liable to the Corporation for monetary damages for breach of his or her duties as a Trustee, except for liability:

(a) For any transaction in which the Trustee's personal financial interest is in conflict with the financial interests of the Corporation;

(b) For acts or omissions not in good faith or which involve intentional misconduct or are known to the Trustee to be a violation of law; or

(c) For any transaction from which the Trustee derives an improper personal benefit.

SECTION 9.2 If the Kentucky Revised Statutes are amended after approval of this Article IX to authorize corporate action further eliminating or limiting the personal liability of Trustees, then the liability of a Trustee of the Corporation shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this Article IX shall not adversely affect any right or protection of a Trustee of the Corporation existing at the time of such repeal or modification.

ARTICLE X
Dissolution

Dissolution shall be accomplished in accordance with the Kentucky Nonprofit Corporation Act, the Bylaws and the Affiliation Agreement. Upon the dissolution or liquidation of the Corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer all of the property and assets of any nature of the Corporation to the Corporate Members, in accordance with their respective membership interests (which shall equal the Economic Percentages determined in accordance with the Affiliation Agreement), if they are then qualified as an organization exempt from tax under Section 501(c)(3) of the Code. If either Corporate Member is not then so qualified, then to any successor corporation of such Corporate Member which is then so qualified, and if no such successor is so qualified, then to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time be qualified under Section 501(c)(3) of the Code and as that Corporate Member shall determine, in accordance with the Kentucky Nonprofit Corporation Act or any other applicable law. Any assets not so disposed of in accordance with the above procedures shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is located in the manner otherwise described above in this Article X.

ARTICLE XI
Amendment

No alteration, amendment, repeal or restatement of these Articles of Incorporation shall be effective without the approval of both Corporate Members.

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Jewish Hospital & St. Mary's Healthcare

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC ☑ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
200 Abraham Flexner Way

Requester's name and address (optional)

6 City, state, and ZIP code
Louisville, KY 40202

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

or

Employer identification number
[redacted]

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person** ▶ Frederick D Ray Accountant **Date** ▶ 5/12/2015

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

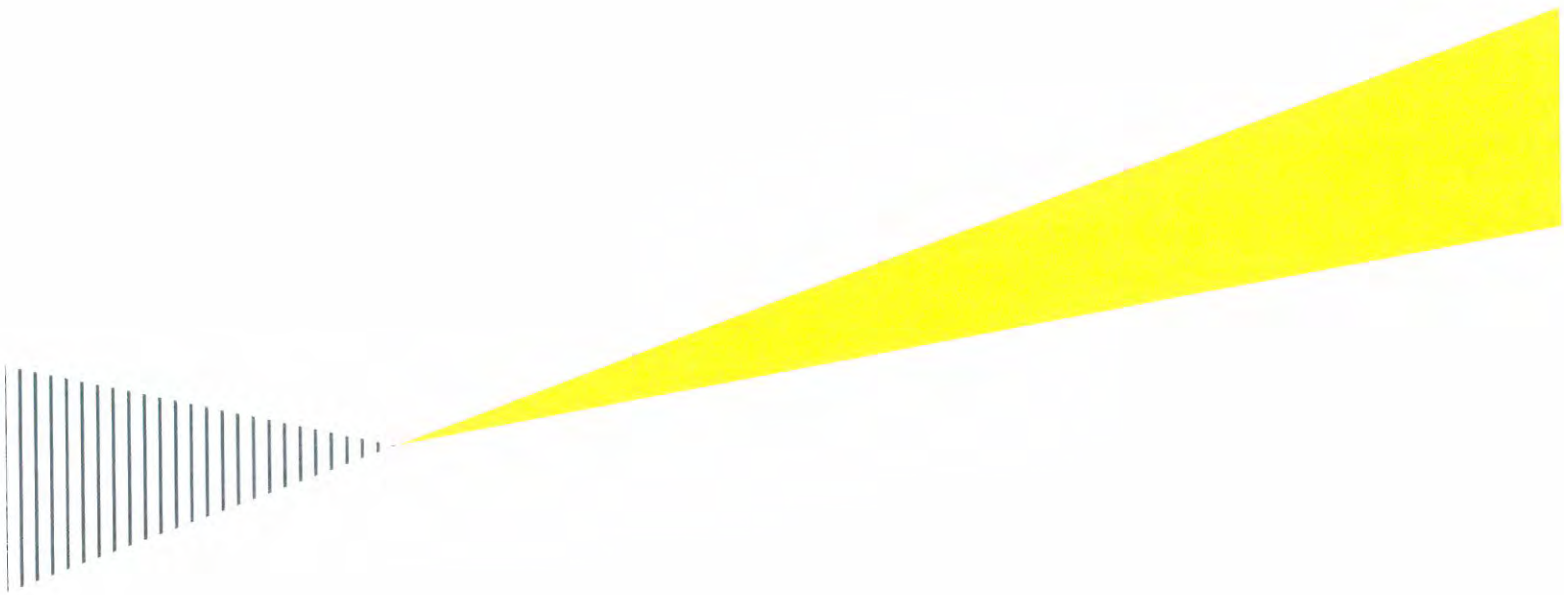
By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

CONSOLIDATED FINANCIAL STATEMENTS

KentuckyOne Health, Inc. and Affiliates
Years Ended June 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



EY
Building a better working world

KentuckyOne Health, Inc. and Affiliates

Consolidated Financial Statements

Years Ended June 30, 2014 and 2013

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Ernst & Young LLP
Suite 2400
400 West Market Street
Louisville, KY 40202

Tel: +1 502 585 1400
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Building a better working world

Report of Independent Auditors

The Board of Directors
KentuckyOne Health, Inc.

We have audited the accompanying consolidated financial statements of KentuckyOne Health, Inc. and Affiliates (the System), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the System at June 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

November 13, 2014

KentuckyOne Health, Inc. and Affiliates

Consolidated Balance Sheets

(In Thousands)

	June 30	
	2014	**2013**
Assets		
Current assets:		
Cash and cash equivalents	**$ 72,827**	$ 63,186
Repurchase agreements	**43,026**	17,074
Receivables:		
Patient accounts, less estimated doubtful accounts (2014 – $183,030 and 2013 – $135,028)	**361,691**	349,114
Estimated receivable for third-party settlements	**11,751**	9,008
Other	**25,906**	8,915
	399,348	367,037
Inventories	**36,685**	38,531
Prepaid expenses	**8,188**	19,438
Total current assets	**560,074**	505,266
Investments and assets limited as to use:		
Internally designated for capital and other funds	**464,400**	677,880
Restricted by donors	**21,756**	20,485
	486,156	698,365
Investments in unconsolidated organizations	**4,214**	4,529
Property and equipment, net	**1,065,509**	1,095,754
Intangible assets and goodwill, net	**54,999**	66,403
Long-term insurance receivable	**142,782**	115,201
Other assets	**24,617**	14,804
Total assets	**$ 2,338,351**	$ 2,500,322

	June 30	
	2014	**2013**
Liabilities and net assets		
Current liabilities:		
Compensation and benefits	**$ 69,466**	$ 82,168
Estimated payable for third-party settlements	**6,177**	8,963
Accounts payable and accrued expenses	**228,483**	247,343
Acquisition consideration liability	**57,796**	34,360
Current portion of long-term debt:		
CHI capital obligation debt	**33,331**	28,879
Other debt and capital leases	**5,524**	4,478
Total current portion of long-term debt	**38,855**	33,357
Total current liabilities	**400,777**	406,191
Other liabilities	**22,674**	20,065
Acquisition consideration liability	**145,440**	170,808
Liability for retirement plan	**22,945**	22,025
Self-insured reserves and claims	**144,199**	116,806
Long-term debt:		
CHI capital obligation debt	**699,353**	717,237
Other debt and capital leases	**79,962**	73,812
Total long-term debt	**779,315**	791,049
Total liabilities	**1,515,350**	1,526,944
Net assets:		
Unrestricted	**792,145**	944,882
Temporarily restricted	**18,049**	17,344
Permanently restricted	**12,807**	11,152
Total net assets	**823,001**	973,378
Total liabilities and net assets	**$ 2,338,351**	$ 2,500,322

See accompanying notes.

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Revenues:		
Net patient service revenues before provision for doubtful accounts	**$ 2,343,710**	$ 1,999,165
Provision for doubtful accounts	**(254,277)**	(177,730)
Net patient service revenues	**2,089,433**	1,821,435
Nonpatient:		
Donations	**3,655**	6,393
Equity losses of unconsolidated organizations	**(52)**	(2,969)
Investment income	**–**	1,130
Other revenue	**87,435**	57,560
Total nonpatient revenues	**91,038**	62,114
Total operating revenues	**2,180,471**	1,883,549
Operating expenses:		
Personnel	**974,907**	899,708
Medical professional fees	**117,332**	60,355
Purchased services	**339,492**	251,043
Consulting and legal	**16,390**	15,609
Supplies	**484,487**	396,481
Utilities	**37,459**	32,365
Insurance	**26,785**	23,765
Rentals, leases and maintenance	**73,898**	74,775
Depreciation and amortization	**102,874**	90,686
Interest	**41,721**	35,893
Other	**165,374**	110,039
Operating expenses before restructuring expenses	**2,380,719**	1,990,719
Operating loss before restructuring expenses	**(200,248)**	(107,170)
Restructuring, impairment and other	**21,900**	13,312
Operating loss	**(222,148)**	(120,482)
Nonoperating gains – investment income, net	**74,069**	64,314
Excess of expenses over revenue	**(148,079)**	(56,168)

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Unrestricted net assets:		
Excess of expenses over revenue	**$ (148,079)**	$ (56,168)
Transfer from affiliates	**(922)**	2,360
Change in pension plan assets and obligation	**(4,760)**	11,625
Contributions to Capital Resource Pool	**–**	(5,401)
Net assets released for specific capital purposes and other changes	**115**	(243)
Transfer of net assets from CHI – Mission & Ministry Grants	**909**	–
Decrease in unrestricted net assets	**(152,737)**	(47,827)
Balance, beginning of year	**944,882**	992,709
Balance, end of year	**$ 792,145**	$ 944,882
Temporarily restricted net assets:		
Gifts and other receipts for specific purposes	**$ 3,061**	$ 7,286
Other	**111**	(95)
Net assets released from restrictions	**(2,467)**	(4,670)
Increase in temporarily restricted net assets	**705**	2,521
Balance, beginning of year	**17,344**	14,823
Balance, end of year	**$ 18,049**	$ 17,344
Permanently restricted net assets:		
Gifts and other receipts for specific purposes and other	**$ 1,655**	$ 1,331
Other	**–**	95
Increase in permanently restricted net assets	**1,655**	1,426
Balance, beginning of year	**11,152**	9,726
Balance, end of year	**$ 12,807**	$ 11,152

See accompanying notes.

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Operating activities		
Decrease in net assets	**$ (150,377)**	$ (43,880)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Transfer to (from) affiliates	**922**	(2,360)
Contributions received for endowment and specific purposes	**(4,716)**	(8,617)
Loss on impairment of goodwill	**11,585**	–
Change in fair value of acquisition consideration liability	**28,656**	(13,357)
Depreciation and amortization	**102,874**	90,686
Change in pension plan assets and obligation	**4,760**	(11,625)
Net (gain) loss on sale of property and investments	**(472)**	261
Net realized gains and equity earnings on hedge funds and private equity funds	**(7)**	21
Bad debt expense	**254,277**	177,730
Equity in earnings of unconsolidated entities in excess of cash distributions received	**1,279**	3,129
Changes in operating assets and liabilities:		
Patient accounts and other receivables	**(283,845)**	(227,725)
Investments and assets limited as to use	**185,922**	16,160
Other current and long-term assets	**(24,811)**	2,262
Accounts payable and accrued expenses	**(32,172)**	62,520
Compensation and benefits	**(12,702)**	(609)
Estimated third-party settlements	**(5,529)**	14,168
Other liabilities	**26,142**	(15,112)
Net cash provided by operating activities	**101,786**	43,652
Investing activities		
Purchase of property and equipment	**(49,443)**	(60,953)
Proceeds from sale of property and equipment	**150**	6
Proceeds from sale of investment in hedge funds private equity funds	**344**	14,341
Net cash on affiliation with University Medical Center	**–**	53,458
Purchases of investments in hedge funds and private equity funds	**(2)**	(226)
Other investing activities	**(228)**	(124)
Net cash (used in) provided by investing activities	**(49,179)**	6,502

KentuckyOne Health, Inc. and Affiliates

Consolidated Statements of Cash Flows (continued)

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Financing activities		
Payments of long-term debt	**$ (32,967)**	$ (23,513)
Contributions for endowment and specific purposes	**4,716**	8,617
Transfer (to) from affiliates	**(922)**	2,360
Payments on acquisition consideration liability	**(30,588)**	(2,500)
Defeasance of bonds	**–**	(48,540)
Proceeds from issuance of new debt	**16,795**	47,354
Net cash used in financing activities	**(42,966)**	(16,222)
Increase in cash and cash equivalents	**9,641**	33,932
Cash and cash equivalents, beginning of year	**63,186**	29,254
Cash and cash equivalents, end of year	**$ 72,827**	$ 63,186
Additional cash flow information		
Cash paid during the period for interest	**$ 41,721**	$ 35,893
Noncash investing and financing activities		
Additions to property and equipment not paid at year-end	**$ 13,312**	$ 13,306
Additions to capital leases	**9,936**	–
	$ 23,248	$ 13,306

See accompanying notes.

1. Accounting Policies

Organization

KentuckyOne Health, Inc. and Affiliates (the System) is a Kentucky non-profit corporation organized and operated to provide a regional health care network in Kentucky and southern Indiana. The System is comprised of the operations of Jewish Hospital and St. Mary's HealthCare, Inc. (JHSMH), Saint Joseph Health System, Inc. (SJHS), and Flaget HealthCare Inc. (Flaget) (KentuckyOne Health), and the partnership of University of Louisville Hospital and the James Graham Brown Cancer Center (UMC). The System includes nearly 200 locations and 2,293 licensed beds. The System and its subsidiaries are an integrated regional health care system that provides a complete array of health care services, including twelve acute care hospitals, outpatient care, cancer care, occupational health, home health care, long-term care, psychiatric care and rehab medicine.

KentuckyOne Health was created effective January 1, 2012, when Catholic Health Initiatives (CHI) and Jewish Heritage Fund for Excellence (JHFE) formerly known as Jewish Hospital Healthcare Services, Inc. (JHHS) entered into a Sponsorship and Consolidation Agreement to jointly operate the System, then consisting of the operations of JHSMH, SJHS and Flaget. Effective March 1, 2013, KentuckyOne Health, University Medical Center (UMC) and University of Louisville entered into a partnership, structured as a Joint Operating Agreement (JOA) between University Medical Center and KentuckyOne Health, whereby KentuckyOne Health controls substantially all of UMC's operations, which consist of University of Louisville Hospital and the James Graham Brown Cancer Center. As part of the agreement, KentuckyOne Health has committed to provide certain financial support to the University of Louisville through 2033. On an undiscounted basis, contingent consideration payments for this acquisition based on probability-weighted performance assumptions may range from zero to $130,833. The range of contingent consideration payments is impacted by discounting of payments, changes in timing of payment streams and the probability of future payments.

CHI is a Colorado non-profit corporation recognized by the Internal Revenue Service (IRS) as exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC). CHI sponsors hospitals and other health care providers in 17 states. JHFE is a Kentucky non-profit corporation recognized by the IRS as exempt from income taxation under Section 501(c)(3) of the IRC. JHFE sponsors healthcare and Jewish community services. CHI, through a direct affiliate, and JHFE are the corporate members of KentuckyOne Health with CHI owning 83% and JHFE owning 17% of KentuckyOne Health.

1. Accounting Policies (continued)

On an unaudited pro forma basis, had KentuckyOne Health been party to the Joint Operating Agreement with University Medical Center at the beginning of the 2013 fiscal year, University Medical Center would have contributed $469,300 of operating revenues and $23,500 of operating income before restructuring for the year ended June 30, 2013.

The consolidated statements of operations and changes in net assets and cash flows include twelve months of UMC revenue and expenses of $499,087 and $482,966, respectively, for the year ended June 30, 2014 and four months of UMC revenue and expenses of $151,244 and $141,234, respectively, for UMC for the year ended June 30, 2013.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the System and its subsidiaries. All significant inter-affiliate transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of asset, liabilities, revenues and expenses. Actual results could vary from those estimates.

Cash Equivalents

Cash equivalents consist of certificates of deposits which are carried at cost plus accrued interest, which approximates fair value. Cash equivalents are maintained with a financial depository institution and are collateralized by U.S. government obligations or by the Federal Deposit Insurance Corporation (FDIC). These cash equivalents have an original maturity of three months or less. The System may have amounts with financial institutions in excess of those insured by the FDIC.

1. Accounting Policies (continued)

Repurchase Agreements

Repurchase agreements represent an arrangement between a financial depository institution (the bank) and the System; where the bank sells the market value of securities to the System equal to the closing balance of the System's cash balance on a daily basis. Under the terms of the agreement, the bank agrees to repurchase the securities the following day at par plus interest. Repurchase agreements are converted to cash on a daily basis.

Investments and Assets Limited as to Use

The System owns an interest in the CHI Investment Program (the Program). The Program is structured under a limited partnership agreement with CHI as managing general partner and numerous limited partners, most affiliated with CHI. The partnership provides a vehicle whereby entities associated with CHI, as well as certain other unrelated entities can optimize investmentreturns while managing investment risk. The System's interest in the Program is reported within investments and assets limited as to use within the accompanying consolidated balance sheets and is reported based upon net asset value derived from the application of the equity method of accounting.

The System has designated its investment portfolio as trading. Investments are recorded at fair value as determined by reference to quoted market prices or other sources when applicable (see Note 10). Unrealized gains and losses on marketable securities that have been designated as trading securities are included within the excess of expenses over revenue. In addition, cash flows from the purchases and sales of marketable securities designated as trading are reported as a component of operating activities in the accompanying consolidated statements of cash flows.

Investment income consists of realized gains and losses on the sale of investments, the market valuation changes in investments, and dividend and interest income. Realized gains and losses are calculated based on the specific-identification method. Investment income is included in the excess of expenses over revenue unless the income or loss is restricted by donor or by law.

Operating revenue includes investment income, which relates to earnings on funds that have been Board designated for the funding of current medical research expenses.

1. Accounting Policies (continued)

Investment income is summarized for the years ended June 30, in the following tables:

	2014	2013
Market valuation changes in hedge, private equity funds, and the limited partnership	$ 5	$ (1,254)
Market valuation change in all other securities	16,312	26,635
Interest, dividends, and realized gains, net of fees	57,752	40,063
Total investment income	$ 74,069	$ 65,444
Investment income included in operating revenue	$ –	$ 1,130
Investment income included in nonoperating revenue	74,069	64,314
Total investment income	$ 74,069	$ 65,444

Fair Value of Financial Instruments

The System follows the provisions of Financial Accounting Standards Board (FASB) accounting guidance, which establishes a framework for measuring fair value in GAAP, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements.

Applicable accounting guidance establishes a three-level hierarchy for fair value measurements. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

The three levels are defined as follows:

- Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

1. Accounting Policies (continued)

Inventories

Inventories, primarily consisting of pharmacy drugs, and medical and surgical supplies, are stated at the lower of cost or market (first-in, first-out method).

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over that organization. The equity income or loss on these investments is recorded in the consolidated statements of operations and changes in net assets as changes in equity of unconsolidated organizations. The equity in earnings of the unconsolidated organizations accounted for on the equity method is included in income from operations because these organizations' activities are considered to be ongoing or central to the provision of health care services.

Charity Care

As an integral part of its mission, the System accepts and treats all patients without regard to their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the operating entities. Essentially, these policies define charity services as those services for which no payment is anticipated. The System identifies patients needing assistance by applying certain demographic and credit criteria that were modeled after criteria used in the health care industry. The System's policy is to estimate charity care cost by using a cost to gross charge ratio. Estimated charity care at cost was $41,719 and $90,547 for the years ended June 30, 2014 and 2013, respectively. The System experienced a decrease in charity costs during the year due to impacts of the Affordable Care Act which caused patient shifts from indigent to insured. Charity care costs include provider taxes paid to the Commonwealth of Kentucky net of reimbursement from the Kentucky Hospital Care Program (KHCP) and Medicaid Disproportionate Share Hospital Program (DSH) (see Note 3).

Property and Equipment

Property and equipment are stated at historical cost or, if acquired or impaired, at the fair value at the date of receipt or impairment less accumulated depreciation. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the respective assets.

1. Accounting Policies (continued)

Assets recorded under capital leases are depreciated over the estimated useful life of the related asset or the lease term, whichever is shorter. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts involving land, buildings or equipment are reported as unrestricted support, unless there are explicit donor stipulations specifying how the donated assets must be used. Gifts of long-term assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-term assets are reported as restricted support.

Absent explicit donor stipulations about how long those long-term assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-term assets are placed in service.

Impairment of Assets

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate that the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or a group of assets. Where impairment is indicated, the asset's carrying amount is reduced to fair value based on discounted net cash flows or other estimates of fair value. In accordance with ASC 360-10, *Impairment or Disposal of Long-Lived Assets*, the System records impairment losses on long-lived assets used in operations when events and circumstances indicate that long-lived assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. During 2014, events and circumstances indicated that the System's assets might be impaired. However, the System's estimate of undiscounted cash flows indicated that such carrying amounts were expected to be recovered. Nonetheless, it is reasonably possible that the estimate of undiscounted cash flows may change in the near term resulting in the need to write down those assets to fair value. No asset impairment loss was recognized for the years ended 2014 and 2013.

1. Accounting Policies (continued)

Goodwill

Goodwill represents the excess of the purchase cost over the fair value of net assets acquired and is subject to annual impairment tests as well as more frequent reviews whenever the circumstances indicate a possible impairment may exist. The System performs goodwill testing at the local regional market level. The System is divided between the West Market – JHSMH and Flaget, UMC and the East Market – SJHS. Each local regional market is defined as a reporting unit for purposes of impairment testing. The System performed an annual impairment test on goodwill at March 31, 2014 and 2013. In conducting the impairment test, the fair value of the reporting unit is compared to its respective carrying amount including goodwill. If the fair value exceeds the carrying amount, no impairment exists. If the carrying amount exceeds the fair value, further analysis is performed to assess impairments. The System's determination of fair value is based on an income approach with an appropriate discount rate. Significant assumptions inherent in this methodology are employed and include such estimates as discount rates.

The System determined that the implied fair value of certain SJHS and JHSMH reporting units' goodwill was less than the carrying value. A goodwill impairment charge of $11,585 is reflected in restructuring, impairment and other on the consolidated statements of operations and changes in net assets for the year ended June 30, 2014. Goodwill balances of $53,178 and $65,186 are reflected in the consolidated balance sheets as of June 30, 2014 and 2013, respectively. This remaining goodwill balance as of June 30 2014, relates to UMC and is a result of the Joint Operating Agreement that was executed in 2013.

Patient Receivables and Net Patient Service Revenue

Patient receivables and net patient service revenue are derived primarily from patients who reside in Kentucky and southern Indiana. Patient receivables consist of amounts due from individual patients and third-party payors, including federal and state programs and commercial insurance companies for health care services rendered. Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the account has been past due and historical collection experience. In accordance with Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Entities*, the provision for doubtful accounts is presented on the consolidated statements of operations and changes in net assets as a deduction from patient services revenues (net of contractual allowances and discounts) since the System accepts and treats all patients without regard to the ability to pay.

1. Accounting Policies (continued)

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments due to future audits by third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits by third-party payors. The changes in estimates as a result of appeal settlements and other cost report or fee adjustments resulted in an decrease in net patient service revenue of $2,220 and an increase in net patient service revenue $1,463 for the years ended June 30, 2014 and 2013, respectively.

Net patient accounts receivable included the following allowances as of June 30, 2014 and 2013:

	Reserve for Contractual Allowance	Allowance for Doubtful Accounts	Reserve for Charity	Total Accounts Receivable Allowances
Balance at June 30, 2012	$ 334,557	$ 107,457	$ 50,974	$ 492,988
Additions	4,065,679	182,799	652,840	4,901,318
Reductions	(3,790,609)	(155,228)	(301,719)	(4,247,556)
Balance at June 30, 2013	609,627	135,028	402,095	1,146,750
Additions	**5,386,990**	**254,277**	**261,074**	**5,902,341**
Reductions	**(5,228,215)**	**(206,275)**	**(399,838)**	**(5,834,328)**
Balance at June 30, 2014	**$ 768,402**	**$ 183,030**	**$ 263,331**	**$ 1,214,763**

For the year ended June 30, 2014, bad debt expenses and contractual adjustments have increased while charity care costs have decreased. These changes reflect recent historical trends and shifts in payors due to the implementation of the Affordable Care Act.

Other Revenue

Other revenue is related to the furtherance of operating activities but is not directly related to patient services. Other revenue includes retail pharmacy revenue, rental revenue, cafeteria revenue, Medicare and Medicaid program meaningful use incentives and various other miscellaneous revenues.

1. Accounting Policies (continued)

Contributions

Contributions are recorded at fair value in the period received or pledged. Donor-restricted contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets along with unrestricted contributions as other operating revenue. Donor-restricted contributions whose restrictions are met within the same year as received are accounted for as unrestricted contributions. Permanently restricted net assets have been restricted by donors and are to be maintained by the System in perpetuity.

Excess of Expenses Over Revenue

The consolidated statements of operations and changes in net assets include excess of expenses over revenue. Changes in unrestricted net assets that are excluded from excess of expenses over revenue, consistent with industry practice, include contributions of long-term assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), contributions to the CHI Capital Resource Pool and changes in pension plan assets and obligations.

Operating Activities and Nonoperating Gains

Only those activities directly associated with the furtherance of the System's primary mission are considered to be operating activities. Other activities that result in gains or losses are considered to be nonoperating gains. Nonoperating gains include investment income.

Restructuring, Impairment and Other

Restructuring expenses included in the consolidated statements of operations and changes in net assets include internal and external integration costs as a result of the business combination and System reorganization. Impairment expense includes conditions where the carrying value of tangible or intangible assets is determined not to be recoverable (see Goodwill, Note 1).

1. Accounting Policies (continued)

Functional Expenses

The System's general and administrative costs represented approximately 22% and 19% of total operating expenses for the years ended June 30, 2014 and 2013, respectively.

Self-Insured Reserves and Claims

The provision for estimated self-insured medical malpractice and workers' compensation claims includes estimates of the ultimate costs for incurred claims that have been identified and for claims that have been incurred but not reported.

Income Taxes

The majority of the System's income and most of the entities that it owns are exempt from federal and state income taxes as not-for-profit corporations that are recognized by the IRS as defined in Section 501(c)(3) of the IRC and applicable state statutes.

Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The American Recovery and Reinvestment Act of 2009 established incentive payments under Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record technology. Payments under the program are calculated based upon estimated discharges, charity care and other input data and are predicated upon the System's attainment of program and attestation criteria and are subject to regulatory audit. The System accounts for meaningful use incentive payments under the gain contingency model. For the years ended June 30, 2014 and 2013, the System has recognized revenue of $5,842 and $275, respectively, related to this program.

Reclassifications

Certain 2013 amounts have been reclassified to conform with 2014 presentation. Such reclassifications have no impact on the amounts previously reported for excess of expenses over revenues.

2. Community Benefit (Unaudited)

In accordance with its mission and philosophy, the System commits substantial resources to sponsor a broad range of services to both the indigent as well as the broader community. Community benefit provided to the indigent includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of: traditional charity care; unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs; services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed; and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community.

Community benefits provided to the broader community includes the costs of providing services to other populations who may not qualify as indigent but may need special services and support. This type of community benefit includes the costs of: services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis; unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions; and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols.

A summary of the cost of community benefit provided to both the indigent and the broader community for the years ended June 30, is as follows:

	2014	2013
Charity care at cost (includes provider tax, net)	**$ 41,719**	$ 90,547
Unreimbursed cost of Medicaid	**59,109**	13,994
Means-tested programs	**–**	12,565
Community health improvement services	**711**	8,247
Health professions education	**53,463**	31,025
Subsidized health services	**1,770**	1,058
Research	**–**	4,617
Financial and in-kind contributions	**109**	2,429
Community benefit operations	**1**	114
Community building activities	**30**	136
Total	**$ 156,912**	$ 164,732

The summary above has been prepared in accordance with the policy document of the Catholic Health Association of the United States (CHA), *A Guide for Planning and Reporting Community Benefit.* Community benefit is measured on the basis of total cost, net of any offsetting revenue, donations or other funds used to defray cost (see Note 3 for subsidy amounts).

3. Net Patient Service Revenue

Reimbursement from the Medicare program is determined from annual cost reports, which are subject to audit by the program. The System's management believes that amounts recorded in the consolidated financial statements for estimated settlements will approximate the final settlements for open cost reports. The System's cost reports for substantially all of its controlled subsidiaries have been audited by the government or its agents and settled through December 31, 2009. In the health care industry, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The System believes that it is in substantial compliance with all applicable laws and regulations except as noted below. Compliance with health care industry, laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Certain entities of the System have been contacted by governmental agencies regarding alleged violations of Medicare and Medicaid practices for certain services. Estimates have been made and recorded related to these matters. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The System has agreements with Medicare, Medicaid, and other third-party payors that provide for payments at amounts different from their established rates. A summary of the payment arrangements with major third-party payors is described in the following paragraphs:

Medicare

Inpatient medical and surgical acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are reimbursed on a prospective payment system with services classified into clinically similar ambulatory payment classes regardless of cost. Inpatient rehabilitation services are paid on a prospective payment system based on principal diagnosis. Home health services are reimbursed using a prospective payment system based on episodes of care. Medicare net revenue was approximately 40% and 43% of total net patient service revenue for the years ended June 30, 2014 and 2013, respectively.

Medicaid

The Kentucky Medicaid program reimburses the System on a prospectively determined rate per discharge for inpatient services and on the basis of fee schedules and cost to charge ratios, as defined, for outpatient services. Medicaid net revenue was approximately 15% and 11% of total net patient service revenue for the years ended June 30, 2014 and 2013, respectively.

3. Net Patient Service Revenue (continued)

Other

The System has also entered into payment agreements with certain commercial insurance carriers and health maintenance and preferred provider organizations. A significant amount of these payment agreements are with UMC. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The Commonwealth of Kentucky (the Commonwealth) has established a provider tax program and imposes a fixed tax on health care providers primarily based on historical payments made to the program. This tax was $33,502 and $28,892 for the years ended June 30, 2014 and 2013, respectively, and is included in other operating expenses. The Commonwealth provides for a system of reimbursement for services provided to certain Medicaid patients and other patients meeting specified income guidelines. The Kentucky DSH reimbursement was $53,704 and $28,635 for the years ended June 30, 2014 and 2013, respectively, and is included in net patient service revenue as a reduction of charity care provision.

Urban Trauma payment is a Kentucky Medicaid payment for hospitals designated as disproportionate share hospitals. Urban Trauma payments of $33,371 and $7,672 for the years ended June 30, 2014 and 2013, respectively, were received by the System from Passport and are included in net patient service revenue on the consolidated statements of operations and changes in net assets.

The Quality and Charity Care Trust Agreement between UMC, UofL, and the Commonwealth and Louisville Metro government (QCCT Agreement) provides limited funding for the health care needs of economically disadvantaged persons of Jefferson County, Kentucky. Funding under the QCCT Agreement is provided by the Louisville Metro government, the Commonwealth, and UofL and is an annual fixed amount which is not related to volume. In consideration of funding to the System under the QCCT Agreement, the System provides medically necessary services to medically needy persons, as defined in the QCCT Agreement. QCCT payments of $29,778 and $9,863 for the years ended June 30, 2014 and 2013, respectively, are included in net patient service revenue on the consolidated statements of operations and changes in net assets.

4. Property and Equipment, Net

Property and equipment is as follows at June 30:

	2014	2013
Land and land improvements	**$ 89,554**	$ 87,811
Buildings and improvements	**793,957**	798,422
Equipment	**511,558**	481,484
Leasehold improvements	**82,332**	77,614
Capital leases	**83,831**	71,141
Construction-in-progress	**50,062**	47,168
	1,611,294	1,563,640
Accumulated depreciation and amortization	**545,785**	467,886
	$ 1,065,509	$ 1,095,754

Depreciation expense of $102,822 and $90,644 for the years ended June 30, 2014 and 2013, respectively, is included in depreciation and amortization on the consolidated statements of operations and changes in net assets.

5. Debt

The System participates in a unified CHI credit program governed under a Capital Obligation Document (COD). Under the COD, CHI is the sole obligor on all debt. Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of direct affiliates. Covenants of CHI include a minimum debt coverage ratio and certain limitations on secured debt. The System, as a direct affiliate of CHI, is defined as a Participant under the COD and has agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities. The System has in place certain intercompany notes with CHI, which include monthly installments at a variable rate of interest and may be repaid in advance without penalty.

5. Debt (continued)

Long-term debt at June 30 consists of the following:

	2014	2013
CHI note payable, dated 6/16/98, maturity date 12/1/15	$ 792	$ 1,288
CHI note payable, dated 6/16/98, maturity date 12/1/17	2,754	3,452
CHI note payable, dated 6/16/98, maturity date 12/1/22	28,667	31,263
CHI note payable, dated 11/23/98, maturity date 12/1/18	3,163	3,778
CHI note payable, dated 11/1/02, maturity date 12/1/17	1,274	1,600
CHI note payable, dated 11/1/05, maturity date 12/1/17	12,562	16,503
CHI note payable, dated 12/1/05, maturity date 12/1/20	12,035	13,571
CHI note payable, dated 7/29/07, maturity date 12/1/22	2,975	3,251
CHI note payable, dated 2/1/09, maturity date 12/1/17	376	473
CHI note payable, dated 12/1/09, maturity date 12/1/34	61,886	63,601
CHI note payable, dated 10/12/10, maturity date 12/1/29	84,496	88,058
CHI note payable, dated 1/1/11, maturity date 12/1/35	29,856	30,623
CHI note payable, dated 5/12/11, maturity date 12/1/32	47,217	48,751
CHI note payable, dated 1/1/12, maturity date 12/1/25	36,218	39,100
CHI note payable, dated 5/1/12, maturity date 12/1/36	354,058	356,638
CHI note payable, dated 11/1/12, maturity date 12/1/15	3,148	5,166
CHI note payable, dated 6/3/13, maturity date 12/1/21	35,049	39,000
CHI note payable, dated 1/27/14, maturity date 12/1/23	16,158	–
Capital leases	78,589	68,309
Other debt	6,897	9,981
	818,170	824,406
Less amount due within one year	38,855	33,357
Long-term debt due after one year	$ 779,315	$ 791,049

All of the notes payable to CHI bear a variable quarterly average interest rate, which was 4.75% at June 30, 2014. The variable rate associated with the notes payable to CHI is based on a blended rate of the external underlying fixed and variable debt held by CHI.

5. Debt (continued)

On January 27, 2014, the System entered into a note payable to CHI in the amount of $16,795. This is a ten-year note payable with a maturity date of 12/1/23.

As of March 1, 2013, UMC held $48,540 fair market value Series 1997 Bonds issued by the County of Jefferson, the proceeds of which were loaned to UMC under the terms of a Note and Master Trust Indenture dated June 15, 1997. The Series 1997 Bonds were defeased on June 3, 2013, and resulted in no gain or loss on defeasance. The System entered into a note payable to CHI in the amount of $39,000 to fund the defeasance of the Series 1997 Bonds.

UMC holds lease obligations related to the hospital facilities that are classified as capital leases obligations. The amount of these capital leases is $64,754 and $68,148 at June 30, 2014 and 2013, respectively and is recorded on the consolidated balance sheet as other debt and capital leases.

The System had a line of credit agreement that provided for borrowings of $4,000, which was required by a commercial card agreement. There were no outstanding amounts borrowed on the line of credit at June 30, 2014 and 2013. The commercial card agreement and line of credit agreement were terminated during the year ended June 30, 2014.

At June 30, 2014, aggregate maturities on long-term debt and capital leases are as follows:

2015	$ 38,855
2016	35,715
2017	36,357
2018	37,441
2019	37,857
Thereafter	631,945
	$ 818,170

6. Retirement Plans

The System had a defined benefit retirement plan covering substantially all of its JHSMH employees. This defined benefit retirement plan was curtailed in 2009 and all benefits were frozen as of January 1, 2010. In 2010, the defined benefit retirement plans covering key employees were rolled into individual noncontributory-defined contribution retirement plans. Information related to the noncontributory-defined benefit plan (the Plan) is presented below.

Components of net periodic pension benefit income are included in personnel expense on the consolidated statements of operations and changes in net assets. The income related to the Plan for the years ended June 30, were as follows:

	2014	2013
Interest cost	$ 7,319	$ 7,041
Expected return on plan assets	(10,634)	(10,664)
Recognized gain due to settlements	(221)	(635)
Net periodic pension benefit income	$ (3,536)	$ (4,258)

The change in projected benefit obligation and the fair value of plan assets for the years ended June 30, and the funded status of the Plan as of June 30, were as follows:

	2014	2013
Projected benefit obligation, beginning of year	$ 168,006	$ 185,205
Interest cost	7,319	7,041
Actuarial loss (gain)	16,481	(7,652)
Settlements	(16,496)	(15,055)
Benefits paid	(1,866)	(1,533)
Projected benefit obligation, end of year	173,444	168,006
Fair value of plan assets, beginning of year	145,981	143,687
Actual gain on plan assets	22,577	15,432
Employer contributions	303	3,450
Settlements	(16,496)	(15,055)
Benefits paid	(1,866)	(1,533)
Fair value of plan assets, end of year	150,499	145,981
Unfunded status (net recorded liability)	$ (22,945)	$ (22,025)

6. Retirement Plans (continued)

The net (loss) gain recognized in unrestricted net assets for the years ended June 30, 2014 and 2013, was $(4,760) and $11,625, respectively. Included in unrestricted net assets at June 30, 2014 and 2013, is an unrecognized actuarial (gain) loss of $(2,322) and $(7,082), respectively, which has not yet been recognized in net periodic benefit cost. None of this actuarial (gain) loss is expected to be recognized during the fiscal year ending June 30, 2015.

The accumulated benefit obligation for all defined benefit pension plans was $173,444 and $168,006 at June 30, 2014 and 2013, respectively.

The weighted-average assumptions used to determine net periodic pension costs for the years ended June 30, were as follows:

	2014	2013
Discount rate	**4.60%**	4.00%
Expected return on plan assets	**7.75**	7.75

The weighted-average assumptions used to determine benefit obligations at June 30, were as follows:

	2014	2013
Discount rate	**4.29%**	4.60%
Expected return on plan assets	**7.75**	7.75

In selecting the expected return on plan assets, the System considers historical returns as well as adherence to future asset allocations.

The majority of the System's plan assets are invested in a CHI Plan Assets Investment Program (the Plan Asset Program). The portfolio is designed to preserve principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk. Diversification is achieved by allocating assets to various asset classes and investment styles and by retaining multiple investment managers with complementary philosophies, styles and approaches. Although the objective of the Plan Asset Program is to maintain asset allocations close to target, temporary periods may exist where allocations are outside of the expected range due to market conditions. The use of leverage is prohibited except as specifically directed in the alternative investment allocation. The portfolio is managed on a basis consistent with the CHI social responsibility guidelines. Alternative investments are part of the portfolio and are illiquid and are not available for redemption at the Plans' request.

6. Retirement Plans (continued)

The summary of the Plans' asset allocation targets, ranges by asset class and allocations by asset class at the measurement dates of June 30, 2014 is as follows:

	Target	Range
Marketable debt securities	27.5%	17.5% to 37.5%
Marketable equity securities	50.0%	40.0% to 60.0%
Alternative investments	22.5%	12.5% to 32.5%

As of June 30, 2014, the System believes that there is not a specific concentration of risk in the underlying pool. The System does recognize that all investments are subject to market risks and that changes in the market may have a material effect on the plan assets.

Nearly all of the System's plan assets are represented by pooled units rather than specific securities. The Plan Asset Program is not necessarily readily marketable and may include short sales on securities and trading in future contracts, options, foreign currency contracts, other derivative instruments and private equity investments. Management has determined that the net asset value (NAV) is an appropriate estimate of the fair value of these pooled units at June 30, 2014 and 2013, based on the underlying investment being recorded at fair value within the Plan Asset Program. As the System has the ability to redeem its pooled units with no adjustment at the measurement date and there are no significant restrictions on liquidating these investments, the investment is categorized as a Level 2 measurement in the fair value hierarchy considerations. The inputs and valuation techniques as of June 30, 2014 and 2013, used for valuing the pooled units is primarily NAV, which represent a market valuation approach. The valuation of cash and cash equivalents is described in Note 10.

6. Retirement Plans (continued)

The following tables presents the financial instruments of the Plan's assets at fair value as of June 30, as defined by the level hierarchy for fair value measurements in Note 1:

	2014			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Assets				
Cash and cash equivalents	**$ 1,296**	**$ –**	**$ –**	**$ 1,296**
Plan Asset Program	**16**	**148,999**	**–**	**149,015**
Hedge funds	**–**	**–**	**188**	**188**
Total assets at fair value	**$ 1,312**	**$ 148,999**	**$ 188**	**$ 150,499**

	2013			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Assets				
Cash and cash equivalents	$ 741	$ –	$ –	$ 741
Plan Asset Program	–	145,018	–	145,018
Hedge funds	–	–	222	222
Total assets at fair value	$ 741	$ 145,018	$ 222	$ 145,981

The following is a rollforward of the amounts for financial instruments of the Plan's assets within Level 3 of the valuation hierarchy defined in Note 1 for the years ended June 30, 2014 and 2013:

	2014	**2013**
Balance, beginning of year	**$ 222**	$ 9,960
Sales/redemptions	**(39)**	(9,776)
Change in fair market value	**5**	38
Balance, end of year	**$ 188**	$ 222

6. Retirement Plans (continued)

The carrying value of the hedge funds is based on valuations provided by the administrators of the specific financial instruments. The valuation methods for all other securities are consistent with Note 10. The underlying investments in these financial instruments may include marketable debt and equity securities, commodities, foreign currencies, derivatives, and private equity investments. The underlying investments themselves are subject to various risks including market, credit, liquidity and foreign exchange risk. The fair value is based on the percentage ownership of the net asset value of the funds based on the fact that the hedge funds are audited and accounted for at fair value by the respective administrators of the funds. The System believes the carrying amount of these financial instruments in the consolidated balance sheets is a reasonable estimate of ownership interest. Because these financial instruments are not readily marketable, the estimated carrying value is subject to uncertainty, and, therefore, may differ from the value that would have been used had a market for such financial instruments existed.

The System expects to contribute approximately $2,900 to the defined benefit pension plans in the fiscal year ending June 30, 2015.

Benefits expected to be paid to the Plans' beneficiaries are as follows:

2015	$ 22,351
2016	10,407
2017	10,867
2018	10,587
2019	10,038
2020 through 2024	46,703

The System has certain retirement plans covering substantially all of its System employees. Pension expense of $28,508 and $26,680 was recorded for these retirement plans for the years ended June 30, 2014 and 2013, respectively. The net recorded liability for these plans at June 30, 2014 and 2013, was $1,480 and $6,611, respectively, and is included in other current liabilities on the consolidated balance sheets. The System is reviewing these plans for potential integration.

7. Commitments and Contingencies

Litigation

During the normal course of business, the System may become involved in litigation. Management assesses the probable outcome of unresolved litigation and records estimated settlements. After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of the System.

Operating Lease and Service Agreements

The System leases certain real estate and equipment under operating leases, which may include renewal options and escalation clauses. Future minimum annual rental payments under noncancelable operating lease and service agreements as of June 30, 2014, are as follows:

2015	$ 19,418
2016	15,680
2017	13,312
2018	10,568
2019	9,790
Thereafter	12,511
	$ 81,279

Total rental expense, which includes amounts applicable to short-term leases, were $47,995 and $52,455 for the years ended June 30, 2014 and 2013, respectively. Rental expense is recorded in rentals, leases and maintenance on the consolidated statements of operations and changes in net assets.

The System, in conjunction with other medical center institutions, is contractually obligated to purchase services from two organizations owned and operated by the Medical Center Commission (a public agency), which provide laundry service and steam and chilled water service to certain operations and other institutions.

7. Commitments and Contingencies (continued)

Payments made by the System to the two organizations are included in operating expenses as Purchased Services in the accompanying consolidated statements of operations and changes in net assets and amounted to the following, for the years ended June 30:

	2014	2013
Laundry service	$ 3,333	$ 2,663
Steam and chilled water service	4,418	3,818
	$ 7,751	$ 6,481

The System leases office space to various lessees in medical office buildings and parking lots under operating leases. The rental income from these leases are $8,512 and $8,213 for the years ended June 30, 2014 and 2013, respectively, and are included in other revenue in the accompanying consolidated statements of operations and changes in net assets.

The net book value of the leased property, including property that is currently being renovated for future leasing activities, was $109,420 and $120,667 at June 30, 2014 and 2013, respectively. The following is a schedule by years of minimum future rentals receivable under existing noncancelable operating leases as of June 30, 2014:

2015	$ 5,687
2016	3,101
2017	1,864
2018	784
2019	205
Thereafter	825
Total minimum future rentals	$ 12,466

8. Medical Malpractice Self-Insurance

First Initiatives Insurance, Ltd. (FIIL), a wholly owned, captive insurance subsidiary of CHI, underwrites the property and casualty risks of CHI. The System participates in FIIL's comprehensive professional, employment practices, general liability and workers' compensation coverage to cover substantially all of the System's related risk. Coverage is provided by FIIL either on a directly written basis or through reinsurance relationships with commercial carriers. In addition, CHI purchases excess insurance from commercial carriers. These amounts, including actuarial estimates for incurred but not reported claims, are assessed to all participants.

Amounts paid by the System for professional, employment practices, and general liability coverage were $25,023 and $21,959 for the years ended June 30, 2014 and 2013, respectively, and are included in insurance expense in the accompanying consolidated statements of operations and changes in net assets. Amounts paid by the System for workers' compensation coverage were $6,684 and $6,444 for the years ended June 30, 2014 and 2013, respectively, and are included in personnel expense in the accompanying consolidated statements of operations and changes in net assets. The estimated liability for professional liability and workers' compensation claims incurred but not reported (including legal costs) as of June 30, 2014 and 2013, is $144,199 and $116,806, respectively, and is included in self-insured reserves and claims along with a corresponding long-term insurance receivable within long-term assets in the accompanying consolidated balance sheets.

9. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party agreements. The mix of net receivables from patients and third-party payors at June 30, 2014 and 2013, was as follows:

	2014	2013
Medicare	**25%**	28%
Medicaid	**25**	20
Other third-party payors	**43**	48
Private payors	7	4
	100%	100%

10. Fair Values of Financial Instruments

The following table presents the financial instruments at fair value as of June 30, aggregated by level in the hierarchy defined in Note 1:

	June 30, 2014			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Assets				
Repurchase agreements	**$ –**	**$ 54,720**	**$ –**	**$ 54,720**
Cash and cash equivalents	**16,628**	**–**	**–**	**16,628**
Common stocks:				
Large cap core	**6,342**	**–**	**–**	**6,342**
Large cap value	**504**	**–**	**–**	**504**
Mid cap	**1,588**	**–**	**–**	**1,588**
Small cap	**196**	**–**	**–**	**196**
Mutual funds:				
Large cap growth	**321**	**–**	**–**	**321**
Large cap value	**304**	**–**	**–**	**304**
Small cap	**317**	**–**	**–**	**317**
Real estate mutual funds	**–**	**153**	**–**	**153**
Fixed income mutual funds	**16,151**	**–**	**–**	**16,151**
Foreign bonds	**–**	**269**	**–**	**269**
U.S. government obligations	**–**	**59**	**–**	**59**
Other investments	**1,447**	**4,732**	**–**	**6,179**
Total assets at fair value	**$ 43,798**	**$ 59,933**	**$ –**	**$ 103,731**

	June 30, 2013			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Assets				
Repurchase agreements	$ –	$ 34,675	$ –	$ 34,675
Cash and cash equivalents	9,489	–	–	9,489
Common stocks:				
Large cap core	422	–	–	422
Mid cap	7,866	–	–	7,866
Small cap	118	–	–	118
Mutual funds:				
Large cap value	892	–	–	892
Small cap	189	–	–	189
Real estate mutual funds	–	140	–	140
Fixed income mutual funds	2,876	–	–	2,876
Foreign bonds	–	384	–	384
U.S. government obligations	366	–	–	366
Other investments	–	2,750	–	2,750
Total assets at fair value	$ 22,218	$ 37,949	$ –	$ 60,167

10. Fair Values of Financial Instruments (continued)

The following methods and assumptions were used by the System in estimating its fair value disclosures for financial instruments:

- **Repurchase agreements**: The value is based upon quoted market prices of U.S. government agency securities in less active markets at June 30, 2014 and 2013, which have been placed in Level 2.
- **Cash and cash equivalents and certificates of deposit**: The value is based upon the cash held with local banks and money market funds that carry a constant value of $1 per share, which have been placed in Level 1 and Level 2.
- **Common stocks**: The value is obtained from prices quoted in the active market, which represents the fair value of the securities, which have been placed in Level 1.
- **Mutual funds**: The value is based upon quoted market prices that are available in an active market at June 30, 2014 and 2013, placing these securities in Level 1.
- **Real estate mutual funds**: The value is based upon quoted market prices that are available in an active market at June 30, 2014 and 2013. Since more than half of the fund's investments are categorized as Level 2, the investment has been classified as Level 2.
- **Foreign bonds**: Values are based upon quoted prices in less active, dealer or broker markets. The values are obtained from third-party pricing services, and they have been placed in Level 2.
- **U.S. government obligations**: U.S. government securities are valued using quoted market prices in active markets and have been placed in Level 1.
- **Other investments**: The majority of these investments are with local community foundations, which provide values based upon underlying values of investments held by the particular organization. These investments have been placed in Level 2.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the consolidated balance sheet date.

10. Fair Values of Financial Instruments (continued)

The carrying amounts of the System's financial instruments at June 30, are as follows:

	2014	2013
Cash and cash equivalents	$ 72,827	$ 63,186
Repurchase agreements	43,026	17,074
	$ 115,853	$ 80,260
Investments and assets limited as to use:		
Cash and cash equivalents	$ 16,628	$ 9,489
Repurchase agreements	11,694	17,601
Common stocks	8,630	8,406
Interest in CHI Investment Program:		
Cash and cash equivalents	348	–
Equity investments	211,063	327,197
Fixed income investments	205,167	318,794
Equity mutual funds	942	1,081
Fixed income mutual funds	16,151	2,876
Real estate mutual funds	153	140
Foreign bonds	269	384
U.S. government obligations	59	366
Other investments	6,179	2,750
Other assets	8,709	8,815
Hedge funds and private equity	164	466
	$ 486,156	$ 698,365

The System program asset allocation at June 30, are as follows:

	2014	2013
Cash and cash equivalents	6%	4%
Marketable fixed-income securities	46	46
Marketable equity securities	45	48
Alternative investments	3	2
	100%	100%

10. Fair Values of Financial Instruments (continued)

The CHI Finance Committee (the Committee) of the Board of Stewardship Trustees is responsible for determining asset allocations among fixed-income, equity and alternative investments. At least annually, the Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations. Given the diversity of the underlying securities in which the Program invests, management does not believe there is a significant concentration of credit risk.

Investments held in the Program are represented by pooled units valued monthly under a custodian accounting system. Investment income from the Program, including dividend and interest income (net of expense), net realized gains on investments, and the net change in unrealized (losses) gains on investments, is distributed to participants based on the earnings per pooled unit. Gains or losses are realized by participants when pooled units are sold, representing the difference between the cost basis and the market value of the pooled units sold. The value of the assets held is an allocation of the underlying carrying value of the assets in the Program, based upon pooled units held by the participants.

The carrying value of cash and cash equivalents, marketable equity securities, and marketable debt securities included in the Program, substantially all of which are traded on national exchanges and over-the-counter markets, is based on the last reported sales price on the last business day of the fiscal year.

The System's non-financial assets and liabilities not permitted or required to be measured at fair value on a recurring basis typically relate to assets and liabilities acquired in a business combination, long-lived assets held and used and intangible assets. The System is required to provide additional disclosures about fair value measurements as part of the consolidated financial statements for each major category of assets and liabilities measured at fair value on a non-recurring basis. In general, non-recurring fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities, which generally are not applicable to non-financial assets and liabilities. Fair values determined by Level 2 inputs utilize data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability, such as internal estimates of future cash flows. The fair value of the acquisition consideration liability was determined based on discounted cash flows and probability-weighted performance assumptions.

10. Fair Values of Financial Instruments (continued)

The following table presents the financial liabilities as of June 30, and indicates the fair value hierarchy of the valuation techniques the System utilized to determine such estimated fair values:

	2014			
	Quoted Prices in Active Markets (Level 1)	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Fair Value**
Acquisition consideration liability	**$ –**	**$ –**	**$ 203,236**	**$ 203,236**
Total liabilities	**$ –**	**$ –**	**$ 203,236**	**$ 203,236**

	2013			
	Quoted Prices in Active Markets (Level 1)	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Fair Value**
Acquisition consideration liability	$ –	$ –	$ 205,168	$ 205,168
Total liabilities	$ –	$ –	$ 205,168	$ 205,168

The following is a rollforward of the amounts for financial liabilities within Level 3 of the valuation hierarchy for the years ended June 30:

	2014	**2013**
Balance, beginning of year	**$ 205,168**	$ –
Acquisition valuation, March 1, 2013	**–**	217,709
Payments	**(30,588)**	(2,500)
Change in fair market value	**28,656**	(10,041)
Balance, end of year	**$ 203,236**	$ 205,168

11. Income Taxes

Most of the income received by the System and certain affiliates is exempt from taxation under Section 501(a) of the IRC. Some of its subsidiaries are taxable entities, and some of the income received by otherwise exempt entities, is subject to taxation as unrelated business income. The System files federal income tax returns as well as income tax returns in Kentucky and Indiana.

ASC 740, *Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on description, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Management has done an analysis and determined that no amount needed to be recorded related to ASC 740 at June 30, 2014 and 2013.

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include donor-restricted funds, which can only be expended for the designated purpose. Also included is the cash surrender value of life insurance and pledges receivable, which cannot be expended until received. At June 30, 2014 and 2013, temporarily restricted net assets include the following:

	2014	2013
Funds restricted for:		
Health care programs	**$ 4,478**	$ 2,952
Capital expenditures	**6,175**	7,215
Research and education	**3,917**	4,315
Other	**3,479**	2,862
	$ 18,049	$ 17,344

12. Temporarily and Permanently Restricted Net Assets (continued)

The System's endowed funds consist of individual donor-restricted funds established for education, research, and a variety of other purposes. Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions. The System's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard for expenditure prescribed by UPMIFA.

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2012	$ 1,607	$ 9,726	$ 11,333
Investment return	773	963	1,736
Contributions	92	463	555
Appropriation of endowment assets for expenditure	(348)	–	(348)
Endowment net assets, June 30, 2013	$ 2,124	$ 11,152	$ 13,276
Endowment net assets, July 1, 2013	$ 2,124	$ 11,152	$ 13,276
Investment return	**104**	**1,630**	**1,734**
Contributions	**32**	**33**	**65**
Change in allowance estimate for doubtful restricted pledges	–	**(8)**	**(8)**
Appropriation of endowment assets for expenditure	**(310)**	–	**(310)**
Endowment net assets, June 30, 2014	**$ 1,950**	**$ 12,807**	**$ 14,757**

13. Related-Party Transactions

In addition to the other related-party transactions disclosures in these notes, the System recognized expenses of $238,460 and $138,510 and for the years ended June 30, 2014 and 2013, respectively, related to certain CHI administrative programs and overhead allocations from the CHI National Office. The System's increased costs are due to Information Technology system upgrades and a full year participation in the CHI Revenue Cycle Program for the year ended June 30, 2014 compared to six months for the year ended June 30, 2013. These allocations are reflected as other expenses in the accompanying consolidated statements of operations and changes in net assets. The System also made net contributions of $0 and $5,401 to the Capital Resource Pool during the years ended June 30, 2014 and 2013, respectively. These contributions are recorded as direct reductions to unrestricted net assets. The System participates in the CHI cash management program. Amounts payable to CHI under the cash management program were approximately $55,700 and $76,773 at June 30, 2014 and 2013, respectively and are included in accounts payable and accrued expenses.

CHI arranges for comprehensive healthcare services for System employees through its self-insured medical plan. CHI estimates employee premiums on an annual basis with the assistance of an independent actuary. Under certain circumstances, the System may withdraw from the plan without additional costs incurred. Employee benefits expense on the consolidated statements of operations and changes in net assets includes $102,784 and $77,865, for the years ended June 30, 2014 and 2013, respectively, for premiums paid to CHI for the self-insured medical plan.

The System leases substantially all the buildings and land from JHFE and CHI for rent of one dollar per year for each lease under long-term leases which expire December 31, 2110. Under applicable accounting guidance, the buildings and land are reflected on the consolidated financial statements of the System.

14. Subsequent Events

The System has evaluated subsequent events through November 13, 2014, which is the date the consolidated financial statements were issued and made publicly available.

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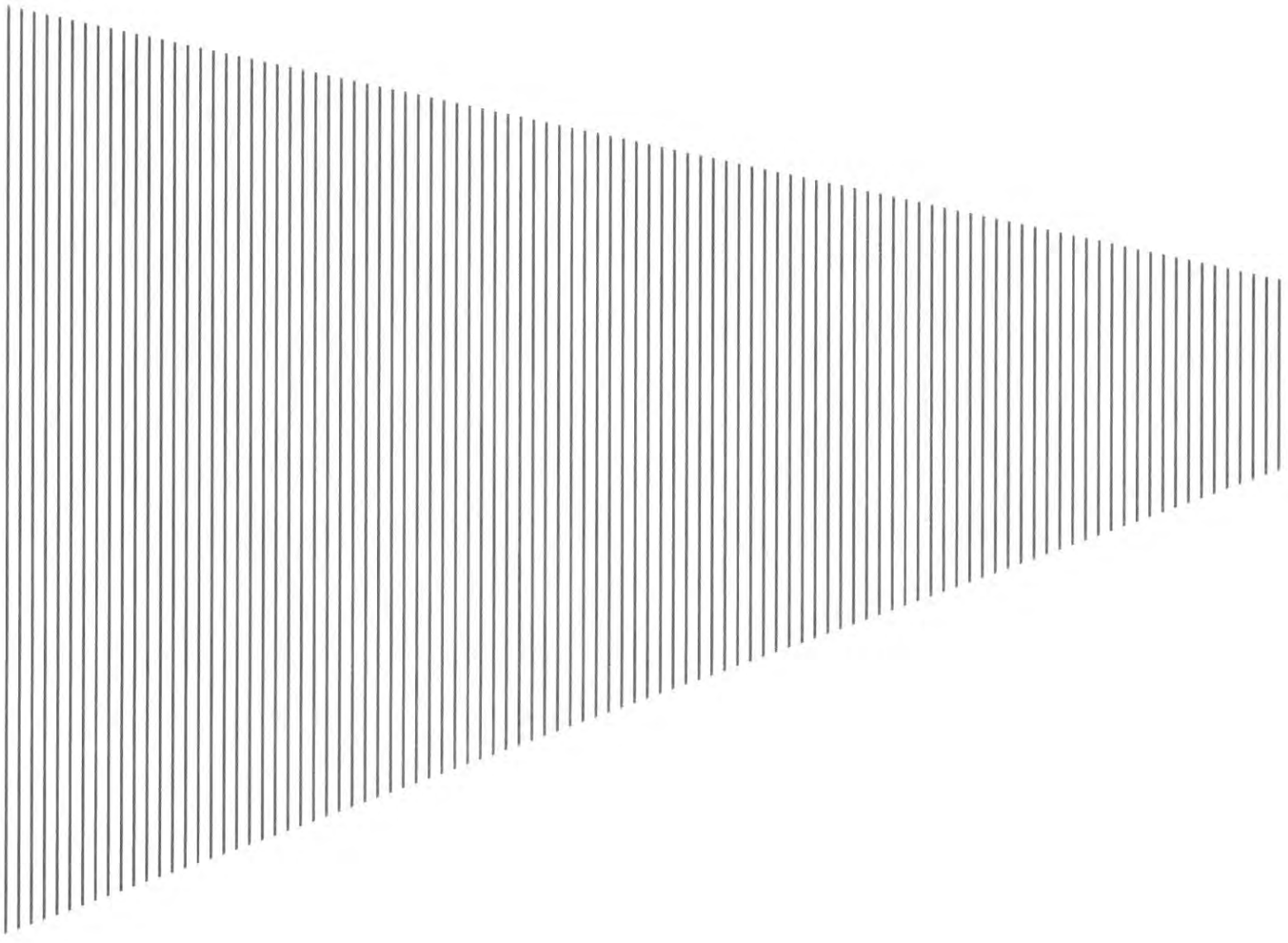
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Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(26) MARK MILBURN VICE PRESIDENT	50 0				✓			186,885	0	18,906
(27) DEBORAH MOLNAR VICE PRESIDENT	50 0				✓			391,208	0	14,550
(28) JAMES PAROBEK SENIOR VICE PRESIDENT	40 0				✓			315,420	0	22,222
(29) SHELLEY SHAUGHNESSY VICE PRESIDENT	50 0				✓			344,411	0	19,697
(30) ROBERT SMITH FAMILY MEDICINE	50 0				✓			286,823	34,650	20,996
(31) RUTH WHEATLEY VICE PRESIDENT	50 0				✓			270,314	0	1,755
(32) CARLOTTA RINKE VICE PRESIDENT	50 0					✓		305,406	0	8,848
(33) JULIE MCGREGOR VICE PRESIDENT	50 0					✓		190,242	0	18,019
(34) ELAINE HAYES DIRECTOR-ACCOUNTING	40 0					✓		167,234	0	16,641
(35) BRADLEY LINCKS VICE PRESIDENT/CNO	50 0					✓		164,431	0	18,706
(36) KIMBERLY HITE VICE PRESIDENT/CNO	50 0					✓		149,986	0	11,502
(37) BRIAN DOHENY VICE PRESIDENT	50 0						✓	197,912	0	3,012
(38) RANDY NAPIER VICE PRESIDENT	50 0						✓	0	296,431	68,364
(39) JENNIFER NOLAN VICE PRESIDENT	50 0						✓	0	394,275	62,781
(40) CHRISTOPHER ROSZMAN VICE PRESIDENT	50 0						✓	238,733	0	19,926
(41) VAL SLAYTON VICE PRESIDENT	50 0						✓	329,383	0	9,244
(42) TAMMY HOWELL DIRECTOR ACCOUNTING	50 0						✓	120,166	0	18,933
(43) KIMBERLY ALUMBAUGH VICE PRESIDENT	50 0						✓	331,510	0	191
(44) JOHN JOHNSON VICE PRESIDENT	50 0						✓	120,597	0	6,678
(45) DAVID LAIRD VICE PRESIDENT	50 0						✓	621,743	0	11,792

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(46) JEFFREY POLSON	50						✓	166,376	0	6,476
VICE PRESIDENT	0									
(47) KATHLEEN WOOD	50						✓	0	174,186	7,270
VICE PRESIDENT	0									
(48) GARY ERMERS	0						✓	0	462,576	48,868
FORMER INTERIM CHIEF FINANCIAL OFFICER	0									

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) JANE J CHILES	1									
DIRECTOR	4	✓						0	0	0
(16) GERALD TEMES, MD	1									
DIRECTOR	4	✓						0	0	0
(17) DAVID L DUNN	1									
DIRECTOR	4	✓						0	0	0
(18) ROBERT C HUGHES, MD	1									
DIRECTOR	5	✓						0	0	0
(19) LOUANN ATLAS	1									
DIRECTOR	4	✓						0	0	0
(20) SHERRI CRAIG	45									
VICE PRESIDENT	15			✓				178,816	0	17,295
(21) SHARON HAGER	1									
SECRETARY	54			✓				0	377,027	32,469
(22) COLLEEN HOLTON	5									
VP FIN PLANNING	51			✓				0	193,791	13,954
(23) LISA DOLAN	40									
VP NURSING	0				✓			178,523	0	17,678
(24) CHERYL FUGATTE	50									
VICE PRESIDENT/CNO	0				✓			208,921	0	8,835
(25) KENNETH JOHNSON	50									
VICE PRESIDENT	0				✓			183,353	0	20,758
1b Sub-total ▶								749,613	6,259,604	540,621
c Total from continuation sheets to Part VII, Section A ▶								4,898,780	1,362,118	435,377
d Total (add lines 1b and 1c) ▶								5,648,393	7,621,722	975,997

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 ▶

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK HEALTHCARE SUPPORT SERVICES, 24863 NETWORK PLACE, CHICAGO, IL 60673-1248	FOOD SERVICES/ENV. SERVICES	22,465,105
ORIGIN, INC., 1800 SW 1ST AVENUE SUITE 510, PORTLAND, OR 97201	STAFFING	3,365,150
MG CARROLL SP SHETH & V RATHAVAN PARTNERS, 1460 BLUEGRASS AVENUE, LOUISVILLE, KY 40215	SPECIALISTS	2,983,333
UNIVERSITY CARDIOTHORACIC SURGICAL ASSOCIATES, 201 ABRAHAM FLEXNER WAY, SUITE 1200, LOUISVILLE, KY 40202	ON-CALL SURGEONS	2,792,170
CREATIVE ALLIANCE, 437 WEST JEFFERSON STREET, LOUISVILLE, KY 40202	MARKETING	2,532,137

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 ▶ 108