

Form **8453-EO**

Exempt Organization Declaration and Signature for Electronic Filing

OMB No. 1545-1879

For calendar year 2011, or tax year beginning 07/01, 2011, and ending 06/30, 20 12

2011

Department of the Treasury
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868
▶ See instructions on back.

Name of exempt organization
ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number
52-0591461

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 the 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 ▶	<input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>309,736,308</u>
2a	Form 990-EZ check here ▶	<input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a	Form 1120-POL check here ▶	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22).	3b	
4a	Form 990-PF check here ▶	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a	Form 8868 check here ▶	<input type="checkbox"/>	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 2011 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 ▶ *Douglas E. Wachtel* Date 5/14/13 ▶ Title TREASURER
Signature of officer

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 signature *Pamela Krohn* Date 5/14/13 Check if also paid preparer Check if self-employed ERO's SSN or PTIN P01210500
Firm's name (or yours if self-employed), address, and ZIP code CATHOLIC HEALTH INITIATIVES EIN 47-0617373
198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112 Phone no. (303)298-9100

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 PAMELA KROHN Preparer's signature *Pamela Krohn* Date 5/14/13 Check if self-employed PTIN
Firm's name ▶ Firm's EIN ▶
Firm's address ▶ Phone no.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2011

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

A For the **2011** calendar year, or tax year beginning **JULY 01**, 2011, and ending **JUNE 30**, 20 **12**

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

C Name of organization **ST. JOSEPH MEDICAL CENTER, INC.**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
7601 OSLER DRIVE
 City or town, state or country, and ZIP + 4
TOWSON, MD 21204

D Employer identification number
52-0591461

E Telephone number
(410)337-1503

F Name and address of principal officer: **BETH O'BRIEN, SVP OPERATIONS**
3900 OLYMPIC BOULEVARD #400, ERLANGER, KY 41018-3509

G Gross receipts \$ **309,736,308**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

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

J Website: ▶ **WWW.STJOSEPHTOWSON.COM**

H(c) Group exemption number ▶ **0928**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1946**

M State of legal domicile: **MD**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>THE MISSION OF ST. JOSEPH MEDICAL CENTER, INC. IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH BY BRINGING IT NEW LIFE, ENERGY AND VIABILITY IN THE 21ST CENTURY. FIDELITY TO THE GOSPEL URGES US TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS WE MOVE TOWARD THE CREATION OF HEALTHIER COMMUNITIES.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,288
	6	Total number of volunteers (estimate if necessary)	6	275
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	329,622
b	Net unrelated business taxable income from Form 990-T, line 34	7b	152,157	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 3,198,580	Current Year 2,827,193
	9	Program service revenue (Part VIII, line 2g)	318,730,723	304,233,213
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,599,809	604,795
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,179,368	2,071,107
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	325,708,480	309,736,308
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	11,060,372	13,250,906
	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)	126,486,441	123,816,492
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	203,841,271	197,999,023
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	341,388,084	335,066,421
19	Revenue less expenses. Subtract line 18 from line 12	-15,679,604	-25,330,113	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 252,244,496	End of Year 284,617,305
	21	Total liabilities (Part X, line 26)	174,300,707	228,169,385
	22	Net assets or fund balances. Subtract line 21 from line 20	77,943,789	56,447,920

Part II Signature Block

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

Sign Here

Signature of officer: DOUG WICKERHAM, TREASURER Date: _____
 Type or print name and title

Paid Preparer Use Only

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

Firm's name ▶ CATHOLIC HEALTH INITIATIVES 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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2011)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

THE ORGANIZATION'S MISSION IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH BY BRINGING IT NEW LIFE,
ENERGY AND VIABILITY IN THE 21ST CENTURY. FIDELITY TO THE GOSPEL URGES US TO EMPHASIZE HUMAN DIGNITY AND
SOCIAL JUSTICE AS WE MOVE TOWARD THE CREATION OF HEALTHIER COMMUNITIES.

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 and section 4947(a)(1) trusts 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 \$ 280,920,229 including grants of \$ 13,250,906) (Revenue \$ 304,104,303)
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 **▶** 280,920,229

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

	Yes	No	
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	✓	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</i>	25b		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	✓	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	✓	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✓	
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	✓	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	37		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 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 to any question in this Part V

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

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 to any question 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.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	<input checked="" type="checkbox"/>	
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?	<input checked="" type="checkbox"/>	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<input checked="" type="checkbox"/>	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	<input checked="" type="checkbox"/>	
b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>

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?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<input checked="" type="checkbox"/>	
13	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
14	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
b	Other officers or key employees of the organization	<input checked="" type="checkbox"/>	
	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?	<input checked="" type="checkbox"/>	
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?		<input checked="" type="checkbox"/>

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► NONE
- 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
- 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: ► CATHY DAL SANTO, VP FINANCIAL RPTG, 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112, (303)298-9100

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

Check if Schedule O contains a response to any question 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 (describe hours for related organizations in Schedule O)	(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) CAROLINE GRIFFIN, ESQ. SECRETARY	1	✓		✓				0	0	0
(2) EDWARD GILLISS, ESQ. CHAIR	1	✓		✓				0	0	0
(3) JEFFREY NORMAN CEO	40	✓		✓				0	692,317	38,291
(4) PATRICK GOLES VICE CHAIR	1	✓		✓				0	0	0
(5) BERNARD COOK BOARD MEMBER	1	✓						0	0	0
(6) CARMEN DEYESU BOARD MEMBER	1	✓						0	0	0
(7) DAVID GONANO BOARD MEMBER	1	✓						0	0	0
(8) GAIL CUNNINGHAM BOARD MEMBER/PRESIDENT MEDICAL STAFF	40	✓					106,384	0	0	0
(9) HAMED FARIDI, PH D BOARD MEMBER	1	✓						0	0	0
(10) HARRY BRANDT, MD BOARD MEMBER	1	✓						0	0	0
(11) JAMES O'CONOR BOARD MEMBER	1	✓						0	0	0
(12) LARRY WALTON BOARD MEMBER	1	✓						0	0	0
(13) MARK BUSSARD BOARD MEMBER	1	✓						0	0	0
(14) MARTIN BRUTSCHER BOARD MEMBER	1	✓						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 (describe hours for related organizations in Schedule O)	(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) MARY ELIZABETH O'BRIEN MEMBER/CHI SVP DIVISION OFFICER	1	✓					0	1,268,057	87,218	
(16) MONSIGNOR BRUCE JARBOE BOARD MEMBER	1	✓					0	0	0	
(17) SISTER ESTHER ANDERSON, OSF BOARD MEMBER	1	✓					0	0	0	
(18) SR. PATRICIA MCCARRON BOARD MEMBER	1	✓					0	0	0	
(19) WILLIAM MCCARTHY, ESQ BOARD MEMBER	1	✓					0	0	0	
(20) CHARLES NEUMANN INTERIM CEO	40			✓			348,000	0	0	
(21) MARGARET MORTENSEN EXECUTIVE VICE PRESIDENT/COO	40			✓			301,116	0	33,024	
(22) RICHARD IMBIMBO TREASURER/CFO	40			✓			304,616	0	48,253	
(23) CRAIG CARMICHAEL VP SUPPORT OPERATIONS	40				✓		215,029	0	47,272	
(24) DANIEL DIETRICK HEAD, DEPARTMENT OF SURGERY	40				✓		211,106	0	16,839	
(25) DANIEL HARDESTY HEAD, DEPARTMENT OF MEDICINE	40				✓		177,357	0	23,781	
1b Sub-total							1,663,608	1,960,374	294,678	
c Total from continuation sheets to Part VII, Section A							2,091,740	2,080,967	366,507	
d Total (add lines 1b and 1c)							3,755,348	4,041,341	661,185	

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 **▶ 94**

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

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
PULMONARY & CRITICAL CARE ASSOC. OF BALTIMORE PA, 400 REDLAND COURT SUITE 208, OWINGS MILLS, MD 21117	CRITICAL CARE SERVICES	1,913,617
WHITING TURNER CONTRACTING COMPANY, 300 EAST JOPPA ROAD, BALTIMORE, MD 21286	GENERAL CONTRACTOR	1,404,688
FIRST COLONIES ANESTHESIA ASSC LLC, 1901 RESEARCH BLVD., STE 350, ROCKVILLE, MD 20850	ANESTHESIOLOGY SERVICES	1,150,000
CARDIAC ANESTHESIA ASSOCIATES PA, P. O. BOX 72, WHITE MARSH, MD 21162	ANESTHESIOLOGY SERVICES	1,145,263
ALL ABOUT STAFFING, 1000 SAWGRASS CORPORATE PKWY, SUNRISE, FL 33323	CONTRACT LABOR	936,929

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 **▶ 34**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d	2,816,670				
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	10,523				
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶	2,827,193				
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	900099	296,802,222	296,802,222		
	b	EQUITY CHANGES OF UNCONSOLIDATED ORGS	900099	3,789,600	3,789,600		
	c	CANCER CARE PROGRAM	621400	1,857,587	1,857,587		
	d	RENTAL INCOME	900099	1,783,804	1,654,894	128,910	
	e			0			
	f	All other program service revenue		0	0	0	
g	Total. Add lines 2a-2f ▶		304,233,213				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		277,003		693	
	4	Income from investment of tax-exempt bond proceeds ▶		0			
	5	Royalties ▶		0			
	6a		(i) Real	(ii) Personal			
		b	Gross rents	141,981			
		c	Less: rental expenses				
	d	Rental income or (loss)	141,981	0			
	e	Net rental income or (loss) ▶		141,981		141,981	
	7a		(i) Securities	(ii) Other			
		b	Gross amount from sales of assets other than inventory	327,792			
		c	Less: cost or other basis and sales expenses				
	d	Gain or (loss)	327,792	0			
	e	Net gain or (loss) ▶		327,792		327,792	
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶		0			
	9a						
b		Gross income from gaming activities. See Part IV, line 19 a					
c		Less: direct expenses b					
d	Net income or (loss) from gaming activities ▶		0				
10a							
	b	Gross sales of inventory, less returns and allowances a					
	c	Less: cost of goods sold b					
d	Net income or (loss) from sales of inventory ▶		0				
		Miscellaneous Revenue	Business Code				
11a	PARKING LOT	812930	1,120,537			1,120,537	
b	GUEST ROOM FEES	721310	335,341			335,341	
c	LABORATORY SERVICES	621500	190,028		130,297	59,731	
d	All other revenue	900099	283,220	0	69,722	213,498	
e	Total. Add lines 11a-11d ▶		1,929,126				
12	Total revenue. See instructions. ▶		309,736,308	304,104,303	329,622	2,475,190	

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) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question 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	13,250,906	13,250,906		
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			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	2,308,069	243,265	2,064,804	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . .	0			
7 Other salaries and wages	99,211,663	82,335,011	16,876,652	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,522,862	4,473,518	1,049,344	
9 Other employee benefits	9,475,204	7,674,915	1,800,289	
10 Payroll taxes	7,298,694	5,911,942	1,386,752	
11 Fees for services (non-employees):				
a Management	0			
b Legal	3,603		3,603	
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other	67,954,257	55,042,948	12,911,309	
12 Advertising and promotion	1,367,677	1,367,677		
13 Office expenses	6,042,657	4,894,552	1,148,105	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	4,672,175	3,784,462	887,713	
17 Travel	251,438	203,665	47,773	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings .	34,209	27,709	6,500	
20 Interest	6,240,972	6,240,972		
21 Payments to affiliates	6,801,791		6,801,791	
22 Depreciation, depletion, and amortization .	17,973,064	14,558,182	3,414,882	
23 Insurance	4,008,280	3,246,707	761,573	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>MEDICAL SUPPLIES</u>	63,894,277	63,894,277		
b <u>BAD DEBTS</u>	10,013,530	10,013,530		
c <u>RESTRUCTURING LOSSES</u>	4,104,067		4,104,067	
d <u>DUES & SUBSCRIPTIONS</u>	3,098,624	2,509,885	588,739	
e All other expenses	1,538,402	1,246,106	292,296	0
25 Total functional expenses. Add lines 1 through 24e	335,066,421	280,920,229	54,146,192	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	2,095	1	2,220
	2 Savings and temporary cash investments	2,340,019	2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	44,704,019	4	40,393,457
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 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)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	5,008,462	8	4,864,878
	9 Prepaid expenses and deferred charges	620,852	9	826,841
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 419,928,719		
	b Less: accumulated depreciation	10b 265,763,548	165,710,188	10c 154,165,171
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11	23,479,901	12	20,385,386
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	1,868,483	14	1,868,483
	15 Other assets. See Part IV, line 11	8,510,477	15	62,110,869
16 Total assets. Add lines 1 through 15 (must equal line 34)	252,244,496	16	284,617,305	
Liabilities	17 Accounts payable and accrued expenses	35,989,574	17	45,120,139
	18 Grants payable		18	
	19 Deferred revenue	784,971	19	600,598
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	13,033,820	23	12,477,967
	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	124,492,342	25	169,970,681
	26 Total liabilities. Add lines 17 through 25	174,300,707	26	228,169,385
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	77,535,988	27	56,152,046
	28 Temporarily restricted net assets	407,801	28	295,874
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	77,943,789	33	56,447,920
34 Total liabilities and net assets/fund balances	252,244,496	34	284,617,305	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	309,736,308
2	Total expenses (must equal Part IX, column (A), line 25)	2	335,066,421
3	Revenue less expenses. Subtract line 2 from line 1	3	-25,330,113
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	77,943,789
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,834,244
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	56,447,920

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

- 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?
- b** Were the organization's financial statements audited by an independent accountant?
- 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.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 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?
- 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

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a		✓
3b		

Form **990** (2011)

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) DIANNE WASSALL DIRECTOR HR	40				✓			152,499	0	32,165
(27) PAMELA JAMIESON VP OPERATIONS CNO	40				✓			253,760	0	44,689
(28) TANJA OQUENDO VP-HUMAN RESOURCES	40				✓			226,704	0	31,350
(29) TODD PHILLIPS CMO	40				✓			203,904	0	23,460
(30) JUDITH ROSSITER PHYSICIAN	40					✓		103,948	495,435	46,058
(31) MARK FRAIMAN PHYSICIAN	40					✓		31,500	375,842	43,608
(32) MARK KRASNA PHYSICIAN	40					✓		756,784	130,967	40,838
(33) MICHAEL SCHULTZ PHYSICIAN	40					✓		172,520	577,199	43,608
(34) R.C. FINNEY, JR PHYSICIAN	40					✓		28,360	501,524	41,710
(35) JANICE DUNN FORMER CHIEF FINANCIAL OFFICER	0						✓	161,761	0	19,021

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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. ▶ See separate instructions.

Name of the organization ST. JOSEPH MEDICAL CENTER, INC.	Employer identification number 52-0591461
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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 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 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—Other
- 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?

- (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?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test—2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2011. 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		<input type="checkbox"/>
b 10%-facts-and-circumstances test—2010. 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		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

- 19a 33 1/3% support tests—2011.** 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—2010.** 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 of Contributors

2011

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52-0591461

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 33¹/₃ % 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 Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization ST. JOSEPH MEDICAL CENTER, INC.	Employer identification number 52-0591461
--	---

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	----- ----- -----	\$ 2,816,670	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ST. JOSEPH MEDICAL CENTER, INC.	Employer identification number 52-0591461
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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
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----
-----	----- ----- -----	\$-----	-----

Name of organization ST. JOSEPH MEDICAL CENTER, INC.	Employer identification number 52-0591461
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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)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2011

Open to Public Inspection

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.**

Department of the Treasury
Internal Revenue Service

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 ST. JOSEPH MEDICAL CENTER, INC.	Employer identification number 52-0591461
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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.														
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		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.		
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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) 2008	(b) 2009	(c) 2010	(d) 2011	(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)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		✓	
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?	✓		23,224
g Direct contact with legislators, their staffs, government officials, or a legislative body?		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?		✓	
j Total. Add lines 1c through 1i			23,224
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

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; 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	THE PORTION OF ORGANIZATION DUES THAT ARE RELATED TO LOBBYING ARE AS FOLLOWS: AMERICAN HOSPITAL ASSOCIATION - \$4,083, CATHOLIC HEALTH ASSOCIATION - \$1,806 AND MARYLAND HOSPITAL ASSOCIATION - \$17,335.

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. See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52-0591461

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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, 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?, 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)?, 9 In Part XIV, 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.

Table with 2 columns: Revenues included in Form 990, Part VIII, line 1, Assets included in Form 990, Part X. Rows include: 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 XIV, the text of the footnote to its financial statements that describes these items, 1b 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, 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.

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 XIV.

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 XIV and complete the following table:

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

2a Did the organization include an amount on Form 990, Part X, line 21? **Yes** **No**

b If "Yes," explain the arrangement in Part XIV.

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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a** Board designated or quasi-endowment %
- b** Permanent endowment %
- c** Temporarily restricted endowment %

The percentages 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 XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. 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		444,986		444,986
b Buildings		189,142,734	78,428,479	110,714,255
c Leasehold improvements				0
d Equipment		224,472,986	183,760,393	40,712,593
e Other		5,868,013	3,574,676	2,293,337
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				154,165,171

Part VII Investments—Other Securities. 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 - FIXED INCOME	10,174,536	FAIR MARKET VALUE
(B) CHI OIP - EQUITY SECURITIES	10,210,850	FAIR MARKET VALUE
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	20,385,386	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INVESTMENT IN UNCONSOLIDATED ORGS	7,223,581
(2) DEPOSITS	458
(3) INTERCOMPANY RECEIVABLES	5,333,518
(4) REINSURANCE RECEIVABLE FOR MEDICAL INSURANCE	49,553,312
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	62,110,869

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) THIRD PARTY LIABILITIES	12,117,643	
(3) JOINT VENTURE PROFESSIONAL FEES	1,180,354	
(4) CONSULTING / PHYSICIAN PAYMENTS	811,746	
(5) UNCLAIMED PROPERTY	259,160	
(6) INTERCOMPANY PAYABLES	106,048,466	
(7) SELF-INSURANCE RESERVES AND CLAIMS	49,553,312	
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	169,970,681	

2. FIN 48 (ASC 740) Footnote. In Part XIV, 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).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV.)	8
9	Total adjustments (net). Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
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 XIV.)	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 XIV.)	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 XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
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 XIV.)	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 XIV.)	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 XIV 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

[SEE NEXT PAGE](#)

Part XIV

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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference	Identifier	Explanation
SCHEDULE D, PART X, LINE 2	FIN 48 (ASC 740) FOOTNOTE	<p>ST. JOSEPH MEDICAL CENTER, INC.'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION. CHI'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2012 READS AS FOLLOWS:</p> <p>"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.</p> <p>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."</p> <p>ST. JOSEPH MEDICAL CENTER, INC.'S ("SJMC") FINANCIAL INFORMATION IS ALSO INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF ST. JOSEPH MEDICAL CENTER, INC. AND SUBSIDIARIES. SJMC'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2012 READS AS FOLLOWS:</p> <p>"THE CORPORATION AND ITS SUBSIDIARIES ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE."</p>

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.**

▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52-0591461

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to 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
SUB SAHARAN AFRICA			PROGRAM SERVICES	VILLAGE WELLNESS PROGRAM AND ANIMAL PROJECT	
(1)	1	1			36,225
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	1	1			36,225
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	1	1			36,225

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient 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)									
(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

3 Enter total number of other organizations or entities

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to 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 I, LINE 3	METHOD USED TO ACCOUNT FOR EXPENDITURES ON ORGANIZATION' S FINANCIAL STATEMENTS	SUB SAHARAN AFRICA: ACCRUAL

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52 0591461

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	✓	
1b 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. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____%		✓
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%		✓
c If the organization did not use FPG to determine 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, to determine 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?	✓	

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)		3,654	4,229,264	0	4,229,264	1.30
b Medicaid (from Worksheet 3, column a)		0	455,540	0	455,540	0.14
c Costs of other means-tested government programs (from Worksheet 3, column b)		0	0	0	0	0.00
d Total Financial Assistance and Means-Tested Government Programs	0	3,654	4,684,804	0	4,684,804	1.44
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	68	43,617	1,427,470	3,200	1,424,270	0.44
f Health professions education (from Worksheet 5)	2	493	39,050	0	39,050	0.01
g Subsidized health services (from Worksheet 6)	1	0	5,301,124	0	5,301,124	1.63
h Research (from Worksheet 7)	1	0	243,410	0	243,410	0.07
i Cash and in-kind contributions for community benefit (from Worksheet 8)	3	50,059	14,603	0	14,603	0.00
j Total. Other Benefits	75	94,169	7,025,657	3,200	7,022,457	2.15
k Total. Add lines 7d and 7j	75	97,823	11,710,461	3,200	11,707,261	3.59

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing	0	0	0	0	0	0.00
2 Economic development	0	0	0	0	0	0.00
3 Community support	1	32	3,979	0	3,979	0.00
4 Environmental improvements	0	0	0	0	0	0.00
5 Leadership development and training for community members	0	0	0	0	0	0.00
6 Coalition building	1	98	1,328	0	1,328	0.00
7 Community health improvement advocacy	0	0	0	0	0	0.00
8 Workforce development	0	0	0	0	0	0.00
9 Other	1	0	25,000	0	25,000	0.01
10 Total	3	130	30,307	0	30,307	0.01

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** Yes No
- 2 Enter the amount of the organization's bad debt expense **2** 10,013,530
- 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. **3** 0
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) **5** 135,252,824
- 6 Enter Medicare allowable costs of care relating to payments on line 5 **6** 111,152,567
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) **7** 24,100,257
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- 9a Did the organization have a written debt collection policy during the tax year? **9a** Yes No
- b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI **9b** Yes No

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: ST JOSEPH MEDICAL CENTER, INC.

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment:		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5	Did the hospital facility make its Needs Assessment widely available to the public?		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	<input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	✓	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?		✓
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u> </u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		

Part V Facility Information *(continued)*

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u> </u> <u> </u> <u> </u> % If "No," explain in Part VI the criteria the hospital facility used.		✓
11 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	✓	
a <input checked="" type="checkbox"/> Income level		
b <input checked="" type="checkbox"/> Asset level		
c <input checked="" type="checkbox"/> Medical indigency		
d <input checked="" type="checkbox"/> Insurance status		
e <input checked="" type="checkbox"/> Uninsured discount		
f <input checked="" type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	✓	
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	✓	
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b <input type="checkbox"/> The policy was attached to billing invoices		
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14 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 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 patient's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 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 patient's eligibility under the facility's FAP?		✓
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):		
a <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18	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?	✓	
If "No," indicate why:			
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		✓
If "Yes," explain in Part VI.			
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?		✓
If "Yes," explain in Part VI.			

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 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 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 policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Return Reference	Identifier	Explanation
SCHEDULE H, PART I, LINE 3C	ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CARE	<p>WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO ST. JOSEPH MEDICAL CENTER 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 THE 69 URBAN AND RURAL COMMUNITIES IN 19 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.</p> <p>ST. JOSEPH MEDICAL CENTER 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.</p> <p>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.</p>
SCHEDULE H, PART I, LINE 7	COSTING METHODOLOGY USED TO CALCULATE FINANCIAL ASSISTANCE	<p>A COST ACCOUNTING SYSTEM WAS NOT USED TO COMPUTE AMOUNTS IN THE TABLE; RATHER COSTS IN THE TABLE WERE COMPUTED USING THE ORGANIZATION'S COST-TO-CHARGE RATIO. THE COST-TO-CHARGE RATIO COVERS ALL PATIENT SEGMENTS.</p> <p>THE COST-TO-CHARGE RATIO FOR THE YEAR ENDED 6/30/12 WAS COMPUTED USING THE FOLLOWING FORMULA: OPERATING EXPENSE (BEFORE RESTRUCTURING, IMPAIRMENT AND OTHER LOSSES) DIVIDED BY GROSS PATIENT REVENUE.</p> <p>BASED ON THAT FORMULA, \$266,959,683 /\$349,865,671 RESULTS IN A 76.3% COST-TO-CHARGE RATIO.</p> <p>WORKSHEET 2 WAS NOT USED TO DERIVE THE COST-TO-CHARGE RATIO.</p>
SCHEDULE H, PART I, LINE 7A	FINANCIAL ASSISTANCE AND CERTAIN COMMUNITY BENEFITS AT COST	MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.
SCHEDULE H, PART I, LINE 7, COLUMN(F)	BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	10,013,530
SCHEDULE H, PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES	THERE ARE NO PHYSICIAN CLINICS INCLUDED IN SUBSIDIZED HEALTH SERVICES.
SCHEDULE H, PART III, LINE 4	BAD DEBT EXPENSE - FINANCIAL STATEMENT FOOTNOTE	<p>THE AMOUNT REPORTED ON THE SCHEDULE H, PART III, LINES 2 AND 3 ARE THE SAME AMOUNTS REPORTED FOR BAD DEBT IN THE AUDITED FINANCIAL STATEMENTS. PLEASE REFER TO THE FINANCIAL STATEMENT FOOTNOTE BELOW FOR INFORMATION REGARDING THE METHODOLOGY USED TO DETERMINE AND REPORT BAD DEBT EXPENSE.</p> <p>ST. JOSEPH MEDICAL CENTER DOES NOT BELIEVE THAT ANY PORTION OF BAD DEBT EXPENSE</p>

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		<p>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.</p> <p>ST. JOSEPH MEDICAL CENTER DOES NOT ISSUE SEPARATE COMPANY AUDITED FINANCIAL STATEMENTS. HOWEVER, THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES. THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS:</p> <p>"THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING 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."</p>
SCHEDULE H, PART III, LINE 8	COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTS	<p>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. ST. JOSEPH MEDICAL CENTER, 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.</p>
SCHEDULE H, PART III, LINE 9B	COLLECTION PRACTICES FOR PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE	<p>ST. JOSEPH MEDICAL CENTER, ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES "CHI". CHI HAS A WRITTEN POLICY (STEWARDSHIP POLICY NO. 16) GOVERNING THE PROCEDURES FOR COLLECTIONS OF PAST DUE ACCOUNTS. ALL HOSPITAL FACILITIES INCLUDED IN THE FILING ORGANIZATION HAVE ADOPTED THIS POLICY AND FOLLOW THESE PRACTICES WITH REGARDS TO COLLECTIONS:</p> <p>PROCEDURES CHI ENTITIES WILL FOLLOW STANDARD PROCEDURES IN COLLECTING SELF-PAY BALANCES AS FOLLOWS:</p> <p>PERMISSIBLE COLLECTIONS ACTIVITY EACH FACILITY MUST ADHERE TO THE FOLLOWING REQUIREMENTS IN RELATION TO THE PURSUIT OF SELF-PAY BALANCES:</p> <ul style="list-style-type: none"> •FAIR PURSUIT. EACH FACILITY SHALL ENSURE THAT ALL PATIENT AND PATIENT GUARANTOR ACCOUNTS ARE PURSUED FAIRLY. •ETHICS AND INTEGRITY. EACH FACILITY SHALL ENSURE THAT ALL COLLECTION ACTIVITIES CONSISTENTLY REFLECT THE HIGHEST STANDARDS OF ETHICS AND INTEGRITY. •REASONABLE PAYMENT TERMS. EACH FACILITY SHALL OFFER REASONABLE PAYMENT SCHEDULES AND TERMS TO EACH PATIENT AND PATIENT GUARANTOR WITH SELF-PAY BALANCES. <p>ALL COLLECTION ACTIVITIES CONDUCTED BY THE FACILITY OR ITS THIRD-PARTY COLLECTION AGENTS WILL BE IN CONFORMANCE WITH ALL FEDERAL AND STATE LAWS GOVERNING DEBT COLLECTION PRACTICES. COLLECTION ACTIVITY MAY BE IN THE FORM OF LETTERS, EMAILS, PHONE CALLS, AND/OR CREDIT REPORTING AND MAY ALSO INCLUDE WAGE GARNISHMENTS, PLACING OF LIENS ON BUILDINGS OR RESIDENCES OTHER THAN PERSONAL RESIDENCES, INITIATION OF LAWSUIT, AND/OR OTHER ACTIONS AS REQUIRED, EXCEPT AS PROHIBITED BY IMPERMISSIBLE COLLECTIONS ACTIONS BELOW.</p> <p>PRE-COLLECTIONS ACTIVITY</p> <ul style="list-style-type: none"> •TIMING. GENERALLY, ACCOUNTS WILL NOT BE REFERRED TO COLLECTIONS UNTIL THEY ARE 120 DAYS OLD. HOWEVER, IN CIRCUMSTANCES WHERE INVOICES TO NON-MEDICARE PATIENTS ARE RETURNED UNDELIVERED WITH NO KNOWN ADDRESS, THOSE SELF-PAY BALANCES MAY BE REFERRED TO COLLECTIONS PRIOR TO EXPIRATION OF 120 DAYS. •LIMITATIONS – FINANCIAL ASSISTANCE ELIGIBILITY. THE FACILITY SHALL PERFORM A REASONABLE REVIEW OF EACH PATIENT ACCOUNT PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT (INCLUDING, BUT NOT LIMITED TO, REPORTING THE ACCOUNT TO A COLLECTION AGENCY) TO ENSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (E.G., MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH THE FACILITY'S FINANCIAL ASSISTANCE POLICY. THAT REASONABLE REVIEW WILL INCLUDE ONE OR MORE OF THE FOLLOWING: <ul style="list-style-type: none"> •NOTIFICATION TO PATIENT OF THE AVAILABILITY OF FINANCIAL ASSISTANCE ON ADMISSION, PRIOR TO DISCHARGE, AND/OR IN THE BILLING PROCESS; •REVIEW OF FINANCIAL ASSISTANCE APPLICATION SUBMITTED BY OR ON BEHALF OF THE PATIENT; OR •REVIEW OF THE PATIENT'S ELIGIBILITY USING PATIENT ACCOUNT STATISTICAL SCORING SOFTWARE. •COOPERATING EFFORTS. NO FACILITY SHALL SEND ANY UNPAID SELF-PAY ACCOUNT TO A THIRD-PARTY COLLECTION AGENT AS LONG AS THE PATIENT AND PATIENT GUARANTOR ARE COOPERATING WITH THE FACILITY IN EFFORTS TO SETTLE THE ACCOUNT BALANCE WITHIN A

Return Reference	Identifier	Explanation
		<p>REASONABLE TIME FRAME (GENERALLY 18 MONTHS).</p> <ul style="list-style-type: none"> •SUBSEQUENT ASSESSMENT. AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO QUALIFY FOR FINANCIAL ASSISTANCE SHALL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT TO THE FACILITY FOR APPROPRIATE FOLLOW-UP. CHI SHALL DIRECT ITS STAFF AND THIRD-PARTY COLLECTION AGENTS TO CONTINUALLY ASSESS EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY OR TO BE DETERMINED ELIGIBLE FOR FINANCIAL ASSISTANCE. <p>COLLECTIONS THE FACILITY MAY USE A THIRD-PARTY COLLECTION AGENT AS A REPRESENTATIVE, ACTING IN THE NAME OF THE FACILITY AND ENGAGED ON A CONTRACTUAL BASIS, FOR THE EXPRESS PURPOSES OF FOLLOWING-UP ON AND POTENTIALLY COLLECTING ANY PATIENT ACCOUNTS RECEIVABLE BALANCES.</p> <p>THE FACILITY SHALL CONTRACTUALLY DEFINE THE STANDARDS AND SCOPE OF PRACTICES TO BE USED BY THIRD-PARTY COLLECTION AGENTS. THOSE STANDARDS AND SCOPE OF PRACTICES SHALL BE CONSISTENT WITH THIS POLICY AND SHALL, AT A MINIMUM, INCLUDE THE FOLLOWING:</p> <ul style="list-style-type: none"> •STATEMENT MESSAGE. THE FACILITY SHALL REQUIRE 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 FACILITY OR OTHER FINANCIAL ASSISTANCE PROGRAMS. •ADVANCE SETTLEMENT APPROVALS. THE FACILITY SHALL INSTRUCT ITS THIRD-PARTY COLLECTION AGENTS TO SEEK APPROVAL FROM THE AUTHORIZED AND DESIGNATED FACILITY STAFF MEMBER BEFORE ANY SETTLEMENT, AS A RESULT OF BANKRUPTCY PROCEEDINGS, SHALL BE ACCEPTED. •STANDARDS OF CONDUCT. THE FACILITY SHALL REQUIRE THAT THE THIRD-PARTY COLLECTION AGENTS CONDUCT THEMSELVES IN COMPLIANCE WITH THE HIGHEST STANDARDS OF BUSINESS ETHICS AND INTEGRITY AND APPLICABLE LEGAL REQUIREMENTS, AS REFLECTED IN THE CHI STANDARDS OF CONDUCT, AS MAY BE AMENDED BY CHI, AVAILABLE AT THE FOLLOWING WEBSITE: HTTP://WWW.CATHOLICHEALTHINITIATIVES.ORG/CORPORATERESPONSIBILITY. •PROHIBITED COLLECTIONS ACTIONS. THE FACILITY SHALL PROHIBIT THE THIRD-PARTY COLLECTION AGENTS FROM ENGAGING IN PROHIBITED COLLECTIONS ACTIONS AS DEFINED IN IMPERMISSIBLE COLLECTIONS ACTIONS BELOW. •ANNUAL ADHERENCE AUDIT. THE FACILITY OR ITS DESIGNEE SHALL BE PERMITTED TO AUDIT ITS THIRD-PARTY COLLECTION AGENTS AT LEAST ANNUALLY FOR ADHERENCE TO THESE STANDARDS. <p>IMPERMISSIBLE COLLECTIONS ACTIONS CHI ENTITIES SHALL DIRECT THEIR STAFF AND THIRD-PARTY COLLECTION AGENTS THAT THE FOLLOWING ACTIONS ARE ALWAYS PROHIBITED IN RELATION TO THE PURSUIT OF SELF-PAY BALANCES.</p> <ul style="list-style-type: none"> •UNEMPLOYED WITHOUT SIGNIFICANT INCOME/ASSETS. NO FACILITY SHALL PURSUE ANY LEGAL ACTION FOR NON-PAYMENT OF ANY BILLS AGAINST ANY PATIENT OR PATIENT GUARANTOR WHO IS KNOWN TO BE UNEMPLOYED AND WHO HAS BEEN DETERMINED IN ACCORDANCE WITH CHI STEWARDSHIP POLICY NO. 15, HOSPITAL FINANCIAL ASSISTANCE, ON THE BASIS OF A COMPLETED FINANCIAL ASSISTANCE APPLICATION, TO BE WITHOUT SIGNIFICANT INCOME OR ASSETS. •PRINCIPAL RESIDENCE. NO FACILITY SHALL PURSUE ANY LEGAL ACTION AGAINST ANY PATIENT OR PATIENT GUARANTOR BY SEEKING A REMEDY THAT WOULD INVOLVE FORECLOSING UPON THE PRINCIPLE RESIDENCE OF A PATIENT OR PATIENT GUARANTOR, PLACING A LIEN ON THE PRINCIPAL RESIDENCE, TAKING ANY OTHER ACTION THAT COULD RESULT IN THE INVOLUNTARY SALE OR TRANSFER OF SUCH RESIDENCE, OR INFORMING ANY PATIENT OR PATIENT GUARANTOR THAT HE/SHE MAY BE SUBJECT TO ANY SUCH ACTION. •OTHER IMPERMISSIBLE COLLECTION TACTICS. •NO FACILITY SHALL CHARGE INTEREST ON OUTSTANDING BALANCES; •NO FACILITY SHALL REQUIRE PATIENTS OR PATIENT GUARANTORS TO INCUR DEBT OR LOANS WITH RECOURSE TO THE PATIENT'S OR GUARANTOR'S PERSONAL OR REAL PROPERTY ASSETS ("RECOURSE INDEBTEDNESS"); AND •NO FACILITY SHALL INVOKE SO-CALLED "BODY ATTACHMENTS" (I.E., THE ARREST OR JAILING OF PATIENTS IN DEFAULT ON THEIR ACCOUNTS, SUCH AS FOR MISSED COURT APPEARANCES). <p>IN ADDITION TO THE WRITTEN POLICY ALL OF CATHOLIC HEALTH INITIATIVES' HOSPITALS' CONTRACTS WITH THIRD PARTY COLLECTION AGENCIES INCLUDE THE FOLLOWING STANDARDS:</p> <ul style="list-style-type: none"> •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. <p>FINALLY, COLLECTION AGENCIES ARE TRAINED ON THE CATHOLIC HEALTH INITIATIVES MISSION, CORE VALUES AND STANDARD OF CONDUCT TO MAKE SURE ALL PATIENTS ARE</p>

Return Reference	Identifier	Explanation	
		TREATED WITH DIGNITY AND RESPECT.	
SCHEDULE H, PART V SECTION B, LINE 9	USED FEDERAL POVERTY GUIDELINES (FPG) TO DETERMINE ELIGIBILITY	(a) Facility	(b) Explanation
		(1) ST JOSEPH MEDICAL CENTER, INC.	HUD LOW INCOME GUIDELINES USED.
SCHEDULE H, PART V SECTION B, LINE 10	USED FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE CRITERIA	(a) Facility	(b) Explanation
		(1) ST JOSEPH MEDICAL CENTER, INC.	HUD LOW INCOME GUIDELINES USED.
SCHEDULE H, PART V SECTION B, LINE 13G	OTHER WAYS HOSPITAL PUBLICIZED FINANCIAL ASSISTANCE POLICY	(a) Facility	(b) Explanation
		(1) ST JOSEPH MEDICAL CENTER, INC.	THE BILLING INVOICES INCLUDE INSTRUCTIONS ON HOW TO ACCESS THE COMPANY'S FINANCIAL ASSISTANCE POLICY.
SCHEDULE H, PART V SECTION B, LINE 19D	MEANS USED TO DETERMINE AMOUNTS BILLED	(a) Facility	(b) Explanation
		(1) ST JOSEPH MEDICAL CENTER, INC.	CHARGES ARE BASED ON APPROVED HEALTH SERVICES COST REVIEW COMMISSION ("HSCRC") RATES.
SCHEDULE H, PART VI	LINES 2, 4, & 5: COMMUNITY BENEFIT NARRATIVE AND NEEDS ASSESSMENT	<p>ST. JOSEPH MEDICAL CENTER WAS FOUNDED TO ALLEVIATE A SHORTAGE OF HOSPITAL BEDS IN THE COMMUNITY IN 1864 BY THE SISTERS OF ST. FRANCIS OF PHILADELPHIA. THE HOSPITAL WAS MOVED TO ITS CURRENT LOCATION, TOWSON, MARYLAND IN 1965. AS THE FIRST CATHOLIC HOSPITAL TO SERVE THE COMMUNITY; ST. JOSEPH MEDICAL CENTER EMBRACED THE MISSION OF THE FOUNDING RELIGIOUS CONGREGATION, WHICH HAS SINCE JOINED WITH OTHER RELIGIOUS CONGREGATIONS TO FORM CATHOLIC HEALTH INITIATIVES. THE MISSION OF ST. JOSEPH MEDICAL CENTER AND CATHOLIC HEALTH INITIATIVES IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH BY BRINGING IT NEW LIFE, ENERGY AND VIABILITY IN THE 21ST CENTURY. FIDELITY TO THE GOSPEL URGES US TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS WE MOVE TOWARD THE CREATION OF HEALTHIER COMMUNITIES.</p> <p>IN ADDITION, ST. JOSEPH MEDICAL CENTER STRIVES TO DEVELOP A HEALTHY COMMUNITY AND PROVIDE CARE TO ALL IN NEED. IT ALSO HAS A BOARD OF DIRECTORS THAT IS PRIMARILY COMPRISED OF INDEPENDENT COMMUNITY REPRESENTATIVES. THE MEDICAL CENTER HAS A RICH HERITAGE OF COMPASSIONATE SERVICE AND SUPERB CLINICAL PROGRAMS. OUR PRIMARY GOAL IS TO BUILD UPON THAT HERITAGE BY ENHANCING OUR RELATIONSHIP AMONG OUR COMMUNITY, EMPLOYEES AND PHYSICIANS WITHIN THE GREATER BALTIMORE AREA IN MARYLAND.</p> <p>THE EMERGENCY DEPARTMENT IS OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY. ST. JOSEPH MEDICAL CENTER HAS AN OPEN MEDICAL STAFF, PARTICIPATES IN MEDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE PROGRAM. ST. JOSEPH MEDICAL CENTER SERVES ALL PERSONS IN THE COMMUNITY ON A NON-DISCRIMINATORY BASIS AND OPERATES A 24 HOUR EMERGENCY DEPARTMENT, 365 DAYS PER YEAR.</p> <p>COMMUNITY SERVICE HAS ALWAYS BEEN AT THE CORE OF ST. JOSEPH MEDICAL CENTER'S ACTIVITIES. EACH YEAR, SERVICES AND PROGRAMS ARE EXPANDED TO PROMOTE A HEALTHY COMMUNITY. THE PROGRAMS AND SERVICES DESCRIBED THROUGHOUT THIS REPORT NOT ONLY SERVE THE COMMUNITY, BUT ALSO REDUCE THE BURDENS ON THE GOVERNMENT. FOR EXAMPLE, IF ST. JOSEPH MEDICAL CENTER DID NOT PROVIDE CHARITY CARE, THE BURDEN OF PROVIDING CHARITY CARE WOULD FALL ON OTHER COUNTY HOSPITALS AND OTHER GOVERNMENT-SUPPORTED INSTITUTIONS.</p> <p>THE CANCER INSTITUTE AT ST. JOSEPH MEDICAL CENTER HAS RECEIVED ADDITIONAL FUNDING FROM THE NATIONAL CANCER INSTITUTE TO EXTEND ITS PILOT PROGRAM, EXTENDING THE REACH OF NATIONAL CANCER INSTITUTE (NCI) RESEARCH AND STATE-OF-THE-ART TREATMENT INTO COMMUNITY HOSPITALS ACROSS THE COUNTRY. ST. JOSEPH MEDICAL CENTER IS THE ONLY MARYLAND HOSPITAL TO BE CHOSEN FOR THIS PILOT PROGRAM, KNOWN AS THE NCI COMMUNITY CANCER CENTERS PROGRAM (NCCCP).</p> <p>ST. JOSEPH MEDICAL CENTER ENGAGES ANNUALLY IN TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS, BOTH CLINICAL AND NON-CLINICAL THROUGH SMALL AND LARGE GROUP TRAININGS AS WELL AS NATIONAL AND LOCAL ONLINE TRAININGS.</p> <p>ST. JOSEPH MEDICAL CENTER IS INCLUDED IN THE OFFICIAL CATHOLIC DIRECTORY AS A TAX-EXEMPT HOSPITAL. ST. JOSEPH MEDICAL CENTER RECEIVED ITS TAX EXEMPTION NOTIFICATION FROM THE DEPARTMENT OF TREASURY ON DECEMBER 3, 1996. PREVIOUSLY, THE ORGANIZATION RECEIVED THEIR TAX-EXEMPT STATUS IN MARCH 1946 AS ST. JOSEPH HOSPITAL.</p>	
SCHEDULE H, PART VI	LINES 2, 4, & 5: COMMUNITY BENEFIT NARRATIVE AND NEEDS ASSESSMENT (CONTINUATION 1)	<p>I. GENERAL HOSPITAL DEMOGRAPHICS AND CHARACTERISTICS: THE CORE BASED STATISTICAL AREA ("CBSA") FOR ST. JOSEPH MEDICAL CENTER (SJMC) HAS BEEN IDENTIFIED BY PLOTTING THE ZIP CODES OF RECIPIENTS OF FINANCIAL ASSISTANCE/CHARITY CARE IN FISCAL YEAR 2012. ST. JOSEPH MEDICAL CENTER'S CBSA FALLS PRIMARILY WITHIN BALTIMORE COUNTY, WITH A FEW OUTLYING AREAS IN HARFORD COUNTY. WHEN ILLUSTRATED IN THIS WAY IT BECOMES CLEAR THAT A SIGNIFICANT PORTION OF OUR THE CHARITY CARE CASES FOR FISCAL YEAR 2012 ARE CONCENTRATED IN TWO AREAS; THE NORTHERN SEGMENT OF BALTIMORE COUNTY AROUND HUNT VALLEY AND COCKEYSVILLE, AND THE EASTERN SEGMENT IN THE CARNEY/PARKVILLE AREA. THE IMMEDIATE GEOGRAPHIC</p>	

Return Reference	Identifier	Explanation
		<p>AREA IN WHICH SJMC IS LOCATED IS PREDOMINANTLY A MIDDLE-CLASS/UPPER MIDDLE-CLASS POPULATION. WHILE THERE ARE PEOPLE FROM THE AREA PROXIMATE TO SJMC WHO RECEIVE CHARITY CARE, THIS IS NOT WHERE THE GREATEST NEED FOR CHARITY CARE EXISTS FOR SJMC. THE "HIDDEN" POPULATION RECEIVING A SIGNIFICANT AMOUNT OF CHARITY CARE IS A GROWING HISPANIC IMMIGRANT POPULATION IN THE HUNT VALLEY/COCKEYSVILLE AREA. THIS HAS CREATED A POCKET OF FINANCIALLY CHALLENGED PEOPLE IN AN AREA THAT IS USUALLY VIEWED AS FAIRLY AFFLUENT.</p> <p>ST. JOSEPH MEDICAL CENTER IS IN A NORTHERN SUBURB OF BALTIMORE. THE PRIMARY AND SECONDARY SERVICE AREA DRAWS PATIENTS FROM FRANKLINVILLE AND WESTMINSTER TO THE WEST, ABERDEEN (INCLUDING THE EASTERN SHORE) TO THE EAST, TO THE PENNSYLVANIA LINE, UP THE I-81 CORRIDOR AND AS FAR SOUTH AS LANDSDOWNE. BALTIMORE COUNTY IS DISTINCTIVE IN THE EXCEEDINGLY BROAD RANGE OF POPULATIONS IT CONTAINS, IN TERMS OF ECONOMIC, ETHNIC/RACIAL AND URBAN/RURAL CONSIDERATIONS. THERE IS QUITE A RANGE OF HEALTH CARE NEEDS IN BALTIMORE COUNTY. THE HUNT VALLEY AREA INCLUDES A POCKET OF SEVERELY UNMET HEALTH NEEDS, WHICH IS GENERALLY CONSIDERED ECONOMICALLY ADVANTAGED. THIS IS CONSISTENT WITH THE PRESENCE OF APARTMENTS THAT WERE DESIGNATED FOR GOVERNMENT SUBSIDIZED LOW-INCOME RENTALS AND NOW ARE HOME TO A HISPANIC POPULATION.</p> <p>SJMC'S COMMUNITY BENEFIT SERVICE AREA OVERLAPS WITH SOME AREAS OF SIGNIFICANT UNMET HEALTH CARE NEEDS IN BALTIMORE COUNTY. WHEN PLOTTING THE SERVICE AREAS OF SJMC'S CHARITY CASES BY ZIP CODE, THERE IS A STRONG CONCENTRATION OF CHARITY CASES COMING TO SJMC FROM THE HUNT VALLEY AREA. WE KNOW MANY OF THE PATIENTS FROM THIS AREA ARE PART OF THE HISPANIC COMMUNITY IN THAT LOCATION BECAUSE THEY ARE ACCESSING PRIMARY CARE SERVICES AT ST. CLARE MEDICAL OUTREACH, OUR FREE CLINIC THAT IS NORTH OF THE HOSPITAL. ST. CLARE'S PATIENT POPULATION IS 90% HISPANIC. WHEN THIS POPULATION NEEDS INPATIENT SERVICES, THEY ARE REFERRED TO SJMC BY ST. CLARE MEDICAL OUTREACH.</p> <p>THE ETHNIC/RACIAL CHARACTERISTICS OF OUR PRIMARY AND SECONDARY SERVICE AREAS ARE ILLUSTRATED IN MAPS IN OUR FULL COMMUNITY BENEFIT NARRATIVE, WHICH CONFIRMS WHAT THE DATA FROM THE DHHS AND MARYLAND BUREAU OF VITAL STATISTICS INDICATES, THAT OUR PRIMARY AND SECONDARY SERVICE AREAS ARE LARGELY WHITE, WITH A LESSER PRESENCE OF A BLACK POPULATION IN THAT AREA. IN THE AREA JUST SOUTH AND EAST OF COCKEYSVILLE THERE IS A PREDOMINANT PRESENCE OF THE HISPANIC POPULATION.</p> <p>THE MAPPING STRATEGIES THAT WE USE PROVIDE OVERLAPPING CONFIRMATION THAT THE IMMEDIATE AREA AROUND SJMC IS NOT AN AREA OF GREAT FINANCIAL NEED. NORTH OF THE HOSPITAL, WHILE IT IS PERCEIVED AS AN AFFLUENT AREA, HAS A POPULATION OF LOWER INCOME MINORITIES WITH UNMET HEALTH NEEDS THAT CREATE A HIDDEN POCKET OF NEED IN AN OTHERWISE ADVANTAGED AREA.</p> <p>SIGNIFICANT DEMOGRAPHIC AND SOCIAL DETERMINANTS</p> <p>COMMUNITY BENEFIT SERVICE AREA (CBSA) TARGET POPULATION BY SEX, RACE AND AVERAGE AGE:</p> <p>2012 TOTAL POPULATION – BALTIMORE COUNTY 805,029 TOTAL MALE POPULATION 380,409 TOTAL FEMALE POPULATION 424,620 FEMALES, CHILD BEARING AGE (15-44) 165,852</p> <p>AGE PERCENTAGE IN BALTIMORE COUNTY</p> <p>UNDER 5 YEARS 6.0% UNDER 18 22% 65 YEARS AND OLDER 14.6%</p> <p>RACE/ETHNICITY DISTRIBUTION</p> <p>WHITE NON-HISPANIC: 520,185 OR 64.6% OF TOTAL BALTIMORE COUNTY POPULATION BLACK NON-HISPANIC: 209,738 OR 26.1% OF TOTAL BALTIMORE COUNTY POPULATION HISPANIC: 33,735 OR 4.2% OF TOTAL BALTIMORE COUNTY POPULATION ASIAN & PACIFIC IS. NON-HISPANIC: 40,077 OR 5.0% OF TOTAL BALTIMORE COUNTY POPULATION ALL OTHERS: .1% TOTAL POPULATION: 805,029</p> <p>SOURCE: MARYLAND DHMH, STATE HEALTH IMPROVEMENT PROCESS WWW.PLANNING.MARYLAND.GOV/MSDC/CENSUS/CEN2010/SF1/AGERACEPROF/AGERACE_BACO.PDF</p> <p>PERCENTAGE OF HOUSEHOLDS WITH INCOMES BELOW FEDERAL POVERTY GUIDELINES WITHIN THE CBSA:</p> <p>BALTIMORE COUNTY HAS 8.1%, WHICH IS BELOW THE STATE AVERAGE OF 9.1%. THE MEDIAN HOUSEHOLD INCOME, WITHIN THE CBSA, WAS \$63,494 COMPARED WITH THE STATE AVERAGE OF \$70,017.</p> <p>THE PERCENTAGE OF UNINSURED PEOPLE WITHIN THE CBSA WAS 13.2% COMPARED WITH THE STATE AVERAGE OF 11.3%</p> <p>PERCENTAGE OF MEDICAID RECIPIENTS WITHIN THE CBSA: TH AVERAGE MONTHLY NUMBER OF MEDICAID ELIGIBLE PATIENTS SERVED IN BALTIMORE COUNTY DURING FISCAL YEAR 2012 WAS 132,558.</p>

Return Reference	Identifier	Explanation
		<p>THE AVERAGE MONTHLY NUMBER OF MEDICAID ENROLLEES IN BALTIMORE COUNTY DURING FISCAL YEAR 20102 WAS 99,086.</p> <p>MEDICAID ENROLLMENT IN THE CBSA FOR THE YEARS 2007-2011 WAS 52.09 PER 1000 RESIDENTS OR 5.29%.</p> <p>LIFE EXPECTANCY, BY COUNTY, WITHIN THE CBSA (INCLUDING BY RACE AND ETHNICITY WHERE DATA ARE AVAILABLE):</p> <p>NATIONAL BASELINE 77.9 YEARS CURRENT MARYLAND BASELINE 78.6 YEARS BALTIMORE COUNTY 76.9 YEARS CBSA 80.6 YEAR</p> <p>MORTALITY RATES BY COUNTY WITHIN THE CBSA (*DEATHS PER 1000 LIVE BIRTHS)</p> <p>2010 MARYLAND 496 BALTIMORE COUNTY 66 INFANT MORTALITY RATE (%) 6.7% IN BOTH MARYLAND AND BALTIMORE COUNTY</p> <p>2011 MARYLAND 493 BALTIMORE COUNTY 62 INFANT MORTALITY RATE (%) 6.7% IN MARYLAND AND 6.3% IN BALTIMORE COUNTY</p> <p>WHILE 96% OF BALTIMORE COUNTY RESIDENTS HAVE ACCESS TO HEALTHY FOOD, WHICH IS ABOVE THE 62% MARYLAND RANKING, WITHIN OUR CBSA THERE ARE TWO AREAS DESIGNATED AS "FOOD DESERTS" BY THE USDA. THE MAPPING OF THESE FOOD DESERT AREAS SHOW HOW CLOSE AN AREA WITH LIMITED ACCESS TO NUTRITIOUS FOOD IS TO SJMC. IN THIS AREA LIVE 6,160 PEOPLE, 1,909 OF THOSE PEOPLE (31% OF THE TRACT POPULATION) HAVE LOW/POOR ACCESS TO NUTRITIOUS FOOD.</p> <p>THERE ARE TWO CONTIGUOUS CENSUS TRACTS JUST NORTH OF SJMC. THE COMBINED POPULATION OF THESE TWO TRACTS IS 9,843 PEOPLE. 65% OF THE SLIGHTLY NORTHERN TRACT AND 40.6% OF THE PEOPLE IN THE OTHER TRACT HAVE LOW ACCESS TO NUTRITIOUS FOOD. THIS IS THE SAME AREA IDENTIFIED EARLIER AS HAVING "HIDDEN POCKETS" OF A LOW-INCOME HISPANIC POPULATION.</p> <p>IN BALTIMORE COUNTY 10.7% OF PEOPLE OVER 25 DO NOT HAVE A HIGH SCHOOL DIPLOMA, COMPARED TO THE MARYLAND RATE OF 12.1%.</p> <p>TRANSPORTATION</p> <p>ST. JOSEPH MEDICAL CENTER AND ITS FREE CLINIC, ST. CLARE MEDICAL OUTREACH, ARE ACCESSIBLE TO THE PUBLIC THROUGH THE NORTH/SOUTH BUS THAT RUNS ON THE MAJOR YORK CORRIDOR. HOWEVER, GETTING TO YORK ROAD, IF ONE LIVES A DISTANCE FROM IT, IS AN OBSTACLE TO PEOPLE WHO ARE ELDERLY OR SICK. THIS IS THE SAME PROBLEM THAT CONTRIBUTES TO THE "FOOD DESERTS" IN OUR CBSA - WHILE THE YORK ROAD CORRIDOR IS A MAJOR NORTH/SOUTH ARTERY IN GREATER BALTIMORE COUNTY, IF SOMEONE LIVES A DISTANCE FROM YORK ROAD, THAT CAN BE AN IMPEDIMENT TO USING PUBLIC TRANSPORTATION.</p>
SCHEDULE H, PART VI	LINES 2, 4, & 5: COMMUNITY BENEFIT NARRATIVE AND NEEDS ASSESSMENT (CONTINUATION 2)	<p>II. COMMUNITY HEALTH NEEDS ASSESSMENT</p> <p>1. IDENTIFICATION OF COMMUNITY HEALTH NEEDS ST. JOSEPH MEDICAL CENTER IDENTIFIES UNMET COMMUNITY HEALTH CARE NEEDS IN OUR COMMUNITY IN A VARIETY OF WAYS. WE USE A RANGE OF AVAILABLE NEEDS ASSESSMENTS AND REPORTS, INCLUDING THE RANGE OF REPORTS AVAILABLE ON THE DHMH WEBSITE AND PARTICULARLY THE SHIP WEBSITE. WE USE PUBLICALLY AVAILABLE DATA AS WELL AS PURCHASED DATA TO IDENTIFY HEALTH CARE NEEDS. IN ADDITION, EXTERNAL PARTICIPANTS TO OUR COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS INCLUDE OUR PATIENT-FAMILY ADVISORY FOR THE HOSPITAL AS WELL AS THE PATIENT-COMMUNITY ADVISORY COUNCIL OF OUR CANCER INSTITUTE, WHICH INCLUDES REPRESENTATIVES FROM SEVERAL ORGANIZATIONS THAT BRING TO OUR CANCER INSTITUTE THE PERSPECTIVE OF MINORITY AND UNDERSERVED POPULATIONS.</p> <p>2. WITH WHOM HAS THE HOSPITAL WORKED?</p> <p>IN FISCAL YEAR 2012, THE VICE PRESIDENT OF MISSION INTEGRATION OF SJMC REPRESENTED THE HOSPITAL ON THE BALTIMORE COUNTY HEALTH COALITION, WHICH WAS CHARGED BY DR. GREGORY BRANCH, THE BALTIMORE COUNTY HEALTH OFFICER, TO IDENTIFY HEALTH NEEDS IN BALTIMORE COUNTY, PRIORITIZE THEM AND IDENTIFY THOSE THAT NEED THE MOST URGENT ATTENTION. THE MEETINGS OF THE COALITION PROVIDED AN OPPORTUNITY FOR ALL PARTICIPANTS TO BENEFIT FROM THE PERSPECTIVE THE MEMBER BROUGHT FROM WORK WITH THEIR OWN CONSTITUENCIES IN IDENTIFYING UNMET HEALTH NEEDS IN THE COUNTY. THE COALITION MEMBERS INCLUDED:</p> <ul style="list-style-type: none"> •BALTIMORE COUNTY CITIZEN •BALTIMORE COUNTY DEPARTMENT OF AGING •BALTIMORE COUNTY DEPARTMENT OF HEALTH •BALTIMORE COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES •BALTIMORE COUNTY DEPARTMENT OF PLANNING •BALTIMORE COUNTY DEPARTMENT OF RECREATION AND PARKS •BALTIMORE COUNTY DEPARTMENT OF SOCIAL SERVICES •BALTIMORE COUNTY FIRE DEPARTMENT •BALTIMORE COUNTY POLICE DEPARTMENT •BALTIMORE COUNTY PUBLIC LIBRARY

Return Reference	Identifier	Explanation
		<ul style="list-style-type: none"> •BALTIMORE COUNTY PUBLIC SCHOOLS •BALTIMORE COUNTY PUBLIC SCHOOLS PTA •BALTIMORE MEDICAL SYSTEMS •CHASE BREXTON HEALTH SERVICES, INC. •CHILD CARE LINKS OF BALTIMORE COUNTY •COALITION FOR A HEALTHY MARYLAND •DIAMOND PLAN FROM COVENTRY HEALTH CARE •GALILEE BAPTIST CHURCH •GOUCHER COLLEGE •GREATER BALTIMORE MEDICAL HEALTH CARE SYSTEM •FRANKLIN SQUARE MEDICAL CENTER •JOHNS HOPKINS BAYVIEW MEDICAL CENTER •KAISER FOUNDATION HEALTH PLAN OF THE MID-ATLANTIC STATES, INC. •LOCAL MANAGEMENT BOARD •MARYLAND HOUSE OF DELEGATES •MARYLAND PARTNERSHIP FOR PREVENTION, INC. •MARYLAND STATE DEPARTMENT OF HEALTH AND MENTAL HYGIENE - MINORITY OUTREACH •MOSAIC COMMUNITY SERVICES •NORTHWEST HOSPITAL CENTER •PROLOGUE, INC. •SAINT AGNES HOSPITAL •SAINT JOSEPH MEDICAL CENTER •SET THE CAPTIVES FREE OUTREACH CENTER •STELLA MARIS •STEVENSON UNIVERSITY •THE COMMUNITY COLLEGE OF BALTIMORE COUNTY •TOWSON UNIVERSITY •UNITED HEALTHCARE •UNIVERSITY OF MARYLAND BALTIMORE COUNTY •UNIVERSITY OF MARYLAND EXTENSION - BALTIMORE COUNTY •YMCA OF CENTRAL MARYLAND <p>AFTER REVIEWING DATA, THE BALTIMORE COUNTY HEALTH COALITION IDENTIFIED TWO HEALTH CARE ISSUES AS PRIORITIES:</p> <ol style="list-style-type: none"> 1. REDUCE LOW BIRTH WEIGHT (LBW) & VERY LOW BIRTH WEIGHT (VLBW) <ul style="list-style-type: none"> •COUNTY BASELINE OF 8.8% (WITH 12.4% BLACK & 7 AND WHITE) •MARYLAND BASELINE OF 9.2% (WITH 13% BLACK AND 7% WHITE) •MARYLAND'S 2014 TARGET IS 8.5% 2. REDUCE THE PROPORTION OF YOUNG CHILDREN AND ADOLESCENTS WHO ARE OBESE <ul style="list-style-type: none"> •COUNTY BASELINE OF 12.0% •MARYLAND BASELINE 11.9% •MARYLAND'S 2014 TARGET IS 11.3% <p>WHILE ST. JOSEPH MEDICAL CENTER HAS A VERY SMALL IN-PATIENT PEDIATRIC UNIT AND DOES NOT HAVE MANY INTERACTIONS WITH PEDIATRICIANS WITH WHOM THEY COULD WORK WITH REGARDING OBESITY IN YOUNG CHILDREN, SJMC DOES HAVE A THRIVING PERINATAL PRACTICE THAT PROVIDES CARE TO LOW-INCOME WOMEN WITH HIGH RISK PREGNANCIES. IN ADDITION, THE WOMEN'S HEALTH ASSOCIATES SERVICE OF SJMC PROVIDES OBSTETRICAL AND GYNECOLOGICAL SERVICES TO WOMEN ON A SLIDING SCALE OR AT NO COST. THEIR STAFF OF FIVE OBSTETRICIANS AND SIX NURSE MIDWIVES SEES APPROXIMATELY 5,000 PATIENTS EACH YEAR AND DELIVERS OVER 500 BABIES EACH YEAR AT SJMC. THIS IS A SERVICE THAT IS IDEAL FOR ADDRESSING THE LOW-BIRTH WEIGHT/VERY LOW-BIRTH WEIGHT GOAL OF BALTIMORE COUNTY.</p> <p>SJMC'S FREE PRIMARY CARE CLINIC, ST. CLARE MEDICAL OUTREACH, LOCATED NORTH OF THE HOSPITAL ON A MAJOR NORTH-SOUTH BUS LINE, SERVES A PATIENT POPULATION THAT HAS NO HEALTH INSURANCE OF ANY SORT (INCLUDING MEDICAID). HISTORICALLY, THIS CLINIC WAS LOCATED IN DOWNTOWN BALTIMORE AND SERVED THOSE WHO CAME TO THE ARCHDIOCESAN-SPONSORED HISPANIC MINISTRY (NOW CALLED THE ESPERANZA CENTER), WHICH SERVED THE HISPANIC AND HISPANIC-IMMIGRANT POPULATION IN BALTIMORE. WHEN THE CLINIC WAS MOVED IN 2010 TO ITS CURRENT LOCATION, THE PREDOMINANTLY HISPANIC PATIENT POPULATION FOLLOWED. THE STAFF OF THE CLINIC INCLUDES A BILINGUAL PRIMARY CARE PHYSICIAN AS WELL AS MID-LEVEL PRACTITIONERS AND NURSES, WHO ARE ALSO BILINGUAL. THE STAFF ALSO INCLUDES A BILINGUAL HEALTH EDUCATOR/COACH WHO WORKS WITH THE PATIENTS ONE-ON-ONE REGARDING HEALTHY NUTRITION CHOICES FOR CONTROL OF DIABETES AND HYPERTENSION. THIS FREE CLINIC SERVES MANY PATIENTS WHO LIVE IN THE PREVIOUSLY IDENTIFIED "FOOD DESERTS" AS WELL AS PATIENTS WHO LIVE IN THE HIDDEN POCKETS OF LOW-INCOME PEOPLE IN THE MORE AFFLUENT AREAS OF HUNT VALLEY AND COCKEYSVILLE. THE STAFF OF ST. CLARE MEDICAL OUTREACH PROVIDES VALUABLE INSIGHTS AND INFORMATION REGARDING THE UNMET HEALTH CARE NEEDS OF THIS POPULATION AS WELL AS ITSELF BEING A SIGNIFICANT PROVIDER OF HEALTH CARE TO PATIENTS, WHO OTHERWISE WOULD NOT HAVE ACCESS TO ON-GOING QUALITY HEALTH CARE.</p> <p>THE STAFF OF ST. CLARE MEDICAL OUTREACH REFER PATIENTS NEEDING THE SERVICES OF A SPECIALIST TO PHYSICIANS EMPLOYED BY ST. JOSEPH MEDICAL CENTER AND ACCOMPANY THEM TO APPOINTMENTS TO SERVE AS TRANSLATORS, AS NEEDED. THEY HAVE WORKED TO IDENTIFY NON-SJMC EMPLOYED PHYSICIANS WHO WILL PROVIDE PRO BONO CARE TO PATIENTS NEEDING THE SERVICE OF OTHER SPECIALTIES NOT COVERED BY SJMC'S EMPLOYED PHYSICIANS. THE NEEDS IDENTIFIED IN THE PATIENT POPULATION OF ST. CLARE MEDICAL OUTREACH REFLECT WHAT ONE WOULD FIND IN ANY PRIMARY CARE PRACTICE, BUT WITH A VERY HIGH PERCENTAGE OF HYPERTENSION, DIABETES AS WELL AS NEUROLOGICAL AND ENDOCRINOLOGY NEEDS.</p> <p>THE CANCER INSTITUTE OF SJMC WORKS WITH NUEVA VIDA, A SUPPORT GROUP FOR LATINAS WITH CANCER, TO DEVELOP MORE EFFECTIVE FORMS OF OUTREACH TO THE WOMEN OF THE HISPANIC POPULATION WHO OFTEN HAVE LITTLE OR NO HEALTH INSURANCE AND WHO</p>

Return Reference	Identifier	Explanation
		<p>ACCESS HEALTH CARE LESS REGULARLY THAN WOMEN WITH HEALTH INSURANCE. A REPRESENTATIVE OF NUEVA VIDA PARTICIPATES IN THE CANCER INSTITUTE'S PATIENT-COMMUNITY ADVISORY COUNCIL AS WELL AS WORKS WITH THE STAFF OF THE CANCER INSTITUTE ON CANCER SCREENINGS FOR LATINAS – RECRUITING WOMEN FOR SCREENINGS, ACCOMPANYING AND TRANSLATING FOR THEM DURING THE SCREENINGS. THEY ALSO PROVIDE ON-GOING CONSULTATION TO THE STAFF OF THE CANCER INSTITUTE FOR DESIGNING OUTREACH TO LATINAS FOR MORE TIMELY SCREENING AND TREATMENT. IN ADDITION TO NUEVA VIDA, THE CANCER INSTITUTE WORKS WITH SISTERS NETWORK, INC., A SUPPORT GROUP FOR AFRICAN AMERICAN WOMEN WITH BREAST CANCER. A REPRESENTATIVE FROM SISTERS NETWORK ALSO SITS ON THE PATIENT-COMMUNITY ADVISORY COUNCIL OF THE CANCER INSTITUTE AND WORKS WITH THE CANCER INSTITUTE STAFF TO IDENTIFY AFRICAN AMERICAN WOMEN FOR BREAST CANCER SCREENINGS AND TO PROVIDE ON-GOING SUPPORT FOR THOSE WOMEN DIAGNOSED WITH BREAST CANCER. THE GUIDANCE AND INPUT FROM BOTH NUEVA VIDA AND SISTERS NETWORK HELP THE CANCER INSTITUTE'S OUTREACH STAFF IDENTIFY EFFECTIVE WAYS TO REACH THE MEMBERS OF THEIR RESPECTIVE COMMUNITIES, PARTICULARLY THOSE WOMEN WHO ARE NOT REACHED BY TRADITIONAL FORMS OF OUTREACH.</p> <p>SJMC USED THE ASSISTANCE CENTER OF TOWSON CHURCHES, AN ECUMENICAL PROGRAM THAT PROVIDES HELP TO POOR AND NEEDY FAMILIES IN THE COMMUNITY PROVIDING FOOD ASSISTANCE, EVICTION ASSISTANCE, UTILITY CUTOFF PREVENTION, PAYMENT FOR PRESCRIPTIONS AND LUNCHESES FOR THE HOMELESS, TO IDENTIFY COMMUNITY NEEDS. ITS SERVICE AREA INCORPORATES 21 ZIP CODES IN CENTRAL BALTIMORE COUNTY EXTENDING UP TO THE PENNSYLVANIA LINE. THIS IS AN ON-GOING RELATIONSHIP.</p> <p>IN OCTOBER OF 2011 SJMC MADE A THREE-YEAR PLEDGE TO THE ARCHDIOCESAN ESPERANZA CENTER IN DOWNTOWN BALTIMORE (SERVING A HISPANIC POPULATION AS WELL AS HISPANIC IMMIGRANTS) FOR \$100,000/YEAR FOR THEIR ESPERANZA HEALTH PARTNERS INITIATIVE.</p> <p>IN JUNE OF 2012, ST. JOSEPH MEDICAL CENTER ENTERED INTO A COLLABORATIVE AGREEMENT WITH GREATER BALTIMORE MEDICAL CENTER AND SHEPPARD PRATT HOSPITAL TO CONDUCT THEIR COMMUNITY HEALTH NEEDS ASSESSMENT. THAT ASSESSMENT IS UNDERWAY AND WILL BE COMPLETED BY JANUARY OF 2013. THE THREE INSTITUTIONS HAVE ENGAGED THE SERVICES OF AN OUTSIDE COMPANY TO CONDUCT THE CHNA.</p>
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE.	<p>ST. JOSEPH MEDICAL CENTER ("SJMC"), ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES ("CHI"). CHI HAS A WRITTEN POLICY (STEWARDSHIP POLICY NO. 15) GOVERNING THE PROCEDURES FOR DETERMINING AND INFORMING PATIENTS ABOUT THE ENTITY'S FINANCIAL ASSISTANCE POLICY. ALL HOSPITAL FACILITIES INCLUDED IN THE FILING ORGANIZATION HAVE ADOPTED THE POLICY. THE POLICY STATES THE ORGANIZATION WILL INCLUDE INFORMATION CONCERNING ITS FINANCIAL ASSISTANCE POLICY ON ITS WEBSITE. IN ADDITION, SJMC 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 SJMC OUTPATIENT FACILITIES. IN ADDITION, SJMC 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 SJMC'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. SJMC 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. SJMC 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.</p>
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM	<p>ST. JOSEPH MEDICAL CENTER, ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES.</p> <p>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.</p> <p>CHI SERVES AS THE PARENT CORPORATION OF ITS MBOS WHICH ARE COMPRISED OF 74 HOSPITALS; 40 LONG-TERM CARE, ASSISTED- AND RESIDENTIAL-LIVING FACILITIES; TWO COMMUNITY HEALTH-SERVICES ORGANIZATIONS; TWO ACCREDITED NURSING COLLEGES; AND HOME HEALTH AGENCIES. TOGETHER, THESE FACILITIES PROVIDED \$715 MILLION IN CHARITY CARE AND COMMUNITY BENEFIT IN THE 2012 FISCAL YEAR, INCLUDING SERVICES FOR THE POOR, FREE CLINICS, EDUCATION AND RESEARCH.</p> <p>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.</p> <p>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.</p> <p>ST. JOSEPH MEDICAL CENTER OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND</p>

Return Reference	Identifier	Explanation
		COMMUNITY PARTNERS, ALONG WITH ITS FUNDRAISING ARM, THE ST. JOSEPH MEDICAL CENTER FOUNDATION, TO SERVE THE HEALTH CARE NEEDS OF THE BALTIMORE, MARYLAND COMMUNITIES.
SCHEDULE H, PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT	MD

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52-0591461

**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.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

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. Yes No

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. Check this box if no one recipient 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) ST. JOSEPH PHYSICIAN ENTERPRISE, INC. 7601 OSLER DR, TOWSON, MD 21204	52-1311775	501(C)(3)	11,971,625				PROGRAM SUPPORT
(2) ST. JOSEPH MEDICAL CENTER FOUNDATION, INC. 7601 OSLER DR, TOWSON, MD 21204	52-1681044	501(C)(3)	1,091,761				PROGRAM SUPPORT
(3) CATHOLIC CHARITIES, INC. 320 CATHEDRAL STREET, BALTIMORE, MD 21201	51-0065685	501(C)(3)	106,000				GENERAL ASSISTANCE
(4) MARYLAND HOSPITAL ASSOCIATION 6820 DEERPATH RD, ELKRIDGE, MA 21075	52-0647639	501(C)(3)	32,000				GENERAL ASSISTANCE
(5) AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVE., DALLAS, TX 75231	13-5613797	501(C)(3)	17,500				GENERAL ASSISTANCE
(6) TOWSON UNIVERSITY FOUNDATION, INC. 8000 YORK ROAD, TOWSON, MD 21252	52-0939453	501(C)(3)	12,000				GENERAL ASSISTANCE
(7) MARYLAND PATIENT SAFETY CENTER 6820 DEERPATH RD, ELKRIDGE, MA 21075	26-2188491	501(C)(3)	8,000				GENERAL ASSISTANCE
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 7

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

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

Cat. No. 50055P

Schedule I (Form 990) (2011)

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	ST. JOSEPH MEDICAL CENTER, INC. PROVIDED GRANTS TO OTHER TAX EXEMPT/501(C) ORGANIZATIONS. THE BENEFICIARY OF THE GRANT IS RESPONSIBLE FOR USING THE FUNDS IN ACCORDANCE WITH THE GRANT REQUIREMENTS. ALL GRANT SPENDING IS REVIEWED BEFORE GRANT SPENDING IS REIMBURSED. PERIODIC REPORTING IS COORDINATED BETWEEN THE BENEFICIARY AND ST. JOSEPH MEDICAL CENTER, INC.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Employer identification number

52-0591461

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

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

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

4 During the year, did any person listed 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

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

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

	Yes	No
1a		
1b		
2		
3		
4a	✓	
4b	✓	
4c		✓
5a		✓
5b		✓
6a		✓
6b		✓
7	✓	
8		✓
9		

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

Cat. No. 50053T

Schedule J (Form 990) 2011

Part I 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	(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				
	CHARLES NEUMANN	0	0	348,000	0	0	348,000	0
1	CRAIG CARMICHAEL	199,528	0	15,501	27,033	20,239	262,301	10,236
2	DANIEL DIETRICK	211,106	0	0	16,839	0	227,945	0
3	DANIEL HARDESTY	139,778	0	37,579	15,440	8,341	201,138	0
4	DIANNE WASSALL	151,759	0	740	13,201	18,964	184,664	0
5	JANICE DUNN	0	0	161,761	12,085	6,936	180,782	0
6	JEFFREY NORMAN	0	0	0	0	0	0	0
7	JUDITH ROSSITER	333,624	135,859	222,834	20,228	18,063	730,608	41,478
		103,948	0	0	0	0	103,948	0
8	MARGARET MORTENSEN	425,959	67,544	1,932	25,128	20,930	541,493	0
		232,800	0	68,316	20,228	12,796	334,140	0
9	MARK FRAIMAN	0	0	0	0	0	0	0
		31,500	0	0	0	0	31,500	0
10	MARK KRASNA	374,608	0	1,234	22,678	20,930	419,450	0
		305,450	150,188	301,146	20,228	20,610	797,622	0
11	MARY ELIZABETH O'BRIEN	129,467	0	1,500	0	0	130,967	0
		0	0	0	0	0	0	0
12	MICHAEL SCHULTZ	624,467	307,246	336,344	77,574	9,644	1,355,275	0
		172,520	0	0	0	0	172,520	0
13	PAMELA JAMIESON	566,531	0	10,668	22,678	20,930	620,807	0
		239,428	0	14,332	32,045	12,644	298,449	6,361
14	R.C. FINNEY, JR	0	0	0	0	0	0	0
		28,360	0	0	0	0	28,360	0
15	RICHARD IMBIMBO	499,592	0	1,932	22,678	19,032	543,234	0
		242,700	15,000	46,916	32,728	15,525	352,869	0
16		0	0	0	0	0	0	0

Schedule J (Form 990) 2011

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	<p>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.</p> <p>THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM CATHOLIC HEALTH INITIATIVES (A RELATED ORGANIZATION) DURING THE 2011 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J: JEFFREY NORMAN \$112,521</p> <p>THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM ST. JOSEPH MEDICAL CENTER DURING THE 2011 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J: JANICE DUNN \$163,566 MARK KRASNA \$297,112 MARGARET MORTENSEN \$35,964</p>
SCHEDULE J, PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	<p>DURING THE 2011 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: JEFFREY NORMAN AND MARY ELIZABETH O'BRIEN</p> <p>DURING 2011 THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN: MARY ELIZABETH O'BRIEN \$54,896</p> <p>DURING 2011 THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN: JEFFREY NORMAN \$41,478</p> <p>DUE TO THE "SUPER" VESTING RULES UNDER THE CHI DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2011 CONTRIBUTIONS IN CASH. THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II. DURING 2011, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH: JEFFREY NORMAN \$30,381</p> <p>DURING THE 2011 CALENDAR YEAR ST. JOSEPH MEDICAL CENTER ("SJMC"), 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: CRAIG CARMICHAEL, RICHARD IMBIMBO, PAMELA JAMIESON, TANJA OQUENDO AND TODD PHILLIPS.</p> <p>DURING 2011 THE FOLLOWING CONTRIBUTIONS WERE MADE BY SJMC TO THE DEFERRED COMPENSATION PLAN: CRAIG CARMICHAEL \$10,200 RICHARD IMBIMBO \$12,500 PAMELA JAMIESON \$11,934 TANJA OQUENDO \$7,500</p> <p>DURING 2011 THE FOLLOWING DISTRIBUTIONS WERE MADE BY SJMC FROM THE DEFERRED COMPENSATION PLAN: CRAIG CARMICHAEL \$10,236 PAMELA JAMIESON \$6,361</p> <p>DUE TO THE "SUPER" VESTING RULES UNDER THE SJMC DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2011 CONTRIBUTIONS IN CASH. THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II. DURING 2011, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH: TODD PHILLIPS, MD \$9,625</p>

Return Reference	Identifier	Explanation
SCHEDULE J, PART I, LINE 7	NON-FIXED PAYMENTS	ST. JOSEPH MEDICAL CENTER MAINTAINS A VARIABLE PAY PLAN FOR EMPLOYEES AT THE LEVEL OF MANAGER AND ABOVE (EXCEPT FOR PHYSICIANS) THAT PUTS A CERTAIN AMOUNT OF COMPENSATION AT RISK. AWARDS OF INCENTIVE COMPENSATION UNDER THE VARIABLE PAY PLAN ARE MADE BASED UPON ACHIEVEMENT OF INDIVIDUAL GOALS. ALL COMPENSATION, INCLUDING ANY INCENTIVE COMPENSATION, IS CAPPED TO ENSURE THAT COMPENSATION REMAINS AT FAIR MARKET VALUE.

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

(a) Name	(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 in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) TANJA OQUENDO	(i)	164,125	7,500	20,582	10,768	258,054	0
	(ii)	0	0	0	0	0	0
(18) TODD PHILLIPS	(i)	203,049	0	16,267	7,193	227,364	0
	(ii)	0	0	0	0	0	0

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

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

Employer identification number

52-0591461

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total				▶ \$	0					

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Part IV**Business Transactions Involving Interested Persons** (continued)

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CENTER FOR EATING DISORDERS, PA	BOARD MEMBER 60% OWNERSHIP INTEREST	722,505	PSYCHIATRY MANAGEMENT SERVICES, DEPARTMENT HEAD AND PHYSICIAN ADVISOR		✓

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.

2011

Open to Public Inspection

Name of the Organization
ST. JOSEPH MEDICAL CENTER, INC.

Employer Identification Number
52-0591461

Return Reference	Identifier	Explanation
FORM 990, PART VI, LINE 1A	EXECUTIVE COMMITTEE COMPOSITION AND AUTHORITY	<p>PURSUANT TO ARTICLE VIII, SECTION 8.6 OF THE BYLAWS, THE ST. JOSEPH MEDICAL CENTER EXECUTIVE COMMITTEE SHALL CONSIST OF ONLY DIRECTORS OF THE CORPORATION AND SHALL BE COMPOSED OF THE CHAIRPERSON OF THE BOARD, THE VICE CHAIRPERSON OF THE BOARD, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, EACH OF WHOM SHALL SERVE AS AN EX OFFICIO VOTING MEMBER OF THE EXECUTIVE COMMITTEE, EXCEPT AS PROVIDED BY LAW. THE EXECUTIVE COMMITTEE SHALL HAVE AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS.</p> <p>ADDITIONALLY, THE EXECUTIVE COMMITTEE IS AUTHORIZED TO TRANSACT ROUTINE BUSINESS OF THE CORPORATION IN THE INTERIM PERIOD BETWEEN REGULARLY SCHEDULED MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED THAT SUCH ACTIONS TAKEN SHALL BE CONSISTENT WITH AND NOT CONFLICT WITH ANY ACTIONS OR POLICIES OF THE BOARD OF DIRECTORS OR THE CORPORATE MEMBER, WITH THE ORGANIZATION'S BYLAWS, OR WITH APPLICABLE LAW. ALL ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE ARE RECORDED AND ARE PROMPTLY REPORTED TO THE BOARD OF DIRECTORS AT THE NEXT REGULAR OR ANNUAL MEETING OF THE BOARD OF DIRECTORS.</p>
FORM 990, PART VI, SECTION A, LINE 6	CLASSES OF MEMBERS OR STOCKHOLDERS	ACCORDING TO THE BYLAWS OF ST. JOSEPH MEDICAL CENTER, THE ENTITY'S SOLE MEMBER IS CATHOLIC HEALTH INITIATIVES, A COLORADO NONPROFIT CORPORATION.
FORM 990, PART VI, SECTION A, LINE 7A	MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	PURSUANT TO ARTICLE V, SECTION 6 OF THE BYLAWS OF ST. JOSEPH MEDICAL CENTER, THE DIRECTORS OF THE CORPORATION SHALL BE APPOINTED OR REFUSED BY THE CORPORATE MEMBER. THE CORPORATE MEMBER MAY APPOINT ONE OR MORE INDIVIDUALS TO THE BOARD OF DIRECTORS, AND MAY AT ANY TIME REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OF THE BOARD OF DIRECTORS.
FORM 990, PART VI, SECTION A, LINE 7B	DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	<p>THE ORGANIZATION'S CORPORATE MEMBER IS CATHOLIC HEALTH INITIATIVES ("CHI"). PURSUANT TO SECTION 5.4. OF THE ORGANIZATION'S BYLAWS, THE CORPORATE MEMBER SHALL HAVE THE SPECIFIC RIGHTS SET FORTH IN THE GOVERNANCE MATRIX. PURSUANT TO THE GOVERNANCE MATRIX THE FOLLOWING RIGHTS ARE RESERVED TO THE CHI BOARD DIRECTLY OR THROUGH POWERS DELEGATED TO THE CHI CHIEF EXECUTIVE OFFICER:</p> <ul style="list-style-type: none"> * SUBSTANTIAL CHANGE IN THE MISSION OR PHILOSOPHY OF ST. JOSEPH MEDICAL CENTER * AMENDMENT OF THE CORPORATE DOCUMENTS OF ST. JOSEPH MEDICAL CENTER * APPROVE MEMBERS OF ST. JOSEPH MEDICAL CENTER BOARD * REMOVAL OF A MEMBER OF THE GOVERNING BODY OF ST. JOSEPH MEDICAL CENTER * APPROVAL OF ISSUANCE OF DEBT BY ST. JOSEPH MEDICAL CENTER * APPROVAL OF PARTICIPATION OF ST. JOSEPH MEDICAL CENTER IN A JOINT VENTURE * APPROVAL OF FORMATION OF A NEW CORPORATION BY ST. JOSEPH MEDICAL CENTER * APPROVAL OF A MERGER INVOLVING ST. JOSEPH MEDICAL CENTER * APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF ST. JOSEPH MEDICAL CENTER * TO REQUIRE THE TRANSFER OF ASSETS BY ST. JOSEPH MEDICAL CENTER TO CHI TO ACCOMPLISH CHI'S GOALS AND OBJECTIVES, AND TO SATISFY CHI DEBTS. * ADOPTION OF LONG RANGE AND STRATEGIC PLANS FOR ST. JOSEPH MEDICAL CENTER <p>PURSUANT TO SECTION 5.5.2 OF THE ORGANIZATION'S BYLAWS, CHI MAY, IN EXERCISE OF ITS APPROVAL POWERS, GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE.</p>
FORM 990, PART VI, SECTION B, LINE 11B	REVIEW OF FORM 990 BY GOVERNING BODY	<p>ONCE THE RETURN IS PREPARED IT WILL BE PROVIDED TO THE BOARD MEMBERS. THIS WILL BE PRIOR TO THE FILING DEADLINE.</p> <p>SUBSEQUENT TO REVIEW BY THE BOARD, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AND STATE AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING. ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD.</p>
FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST POLICY	ANNUAL DISCLOSURE FORMS ARE REQUIRED TO BE COMPLETED BY EMPLOYED PHYSICIANS, EXECUTIVES AND DIRECTORS OF THE ORGANIZATION. AT THE TIME OF THE EMPLOYEE'S ANNUAL EVALUATION, THE EMPLOYEE'S DIRECT MANAGER OR SUPERVISOR SHALL REVIEW THIS POLICY WITH THE EMPLOYEE. A NEW FORM SHOULD BE COMPLETED ON AN ANNUAL BASIS. THE FORMS ARE REVIEWED BY THE VICE PRESIDENT OF HUMAN RESOURCES AND THE CORPORATE RESPONSIBILITY OFFICER. THE FOLLOWING ACTIONS ARE TAKEN WITH RESPECT TO EMPLOYEES WITH CONFLICTS: 1) ASKING THE EMPLOYEE TO DIVEST THEMSELVES OF OWNERSHIP, INTEREST, OR STOCK IN THE OTHER ENTITY; 2) REASSIGNING THE EMPLOYEE TO A DIFFERENT POSITION; AND/OR 3) HAVING THE EMPLOYEE ABSTAIN FROM MAKING A DECISION RELATED TO THE CONFLICTING ENTITY. THE DIVISIONAL VICE PRESIDENT AND THE VP OF HUMAN RESOURCES OF ST. JOSEPH MEDICAL CENTER IMPLEMENTS THE REQUIRED ACTIONS. RANDOM SAMPLES OF EMPLOYEE FILES ARE REVIEWED ANNUALLY TO ENSURE COMPLIANCE WITH THIS POLICY.

Return Reference	Identifier	Explanation								
		EACH DIRECTOR IS REQUIRED TO PROMPTLY AND FULLY REPORT TO THE BOARD CHAIR SITUATIONS THAT MAY CREATE A CONFLICT OF INTEREST WHEN HE OR SHE BECOMES AWARE OF SUCH SITUATIONS. ANNUAL CONFLICT OF INTEREST AND DISCLOSURE STATEMENTS ARE SENT OUT TO ALL BOARD MEMBERS ASKING THEM TO DECLARE ANY CONFLICTS OF INTEREST THAT NEED TO BE DISCLOSED. THE BOARD OF DIRECTORS SHALL CAREFULLY SCRUTINIZE, AND MUST IN GOOD FAITH APPROVE OR DISAPPROVE, ANY TRANSACTION IN WHICH THE CORPORATION AND/OR ANY OF ITS AFFILIATES IS A PARTY, AND IN WHICH ONE OR MORE OF THE CORPORATION'S DIRECTORS OR OFFICERS HAS EITHER A MATERIAL FINANCIAL INTEREST OR IS A DIRECTOR OR OFFICER OF THE OTHER PARTY BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, THE BOARD SHALL TAKE WHATEVER ACTION IS DEEMED APPROPRIATE UNDER THE CIRCUMSTANCES WITH RESPECT TO THE DIRECTOR OR OFFICER IN ORDER TO BEST PROTECT THE INTERESTS OF THE CORPORATION, INCLUDING POSSIBLE DISCIPLINARY OR CORRECTIVE ACTION.								
FORM 990, PART VI, LINE 15A	PROCESS FOR DETERMINING CEO'S COMPENSATION	<p>THE ORGANIZATION'S CEO'S COMPENSATION IS PAID BY CHI. CHI HAS A DEFINED COMPENSATION PHILOSOPHY. BOTH THE EXECUTIVE AND NON-EXECUTIVE COMPENSATION STRUCTURES AND RANGES ARE REVIEWED ANNUALLY IN COMPARISON TO MARKET DATA.</p> <p>CHI USES THE HAY GROUP AS THE INDEPENDENT THIRD PARTY TO ASSESS EXECUTIVE COMPENSATION PROGRAMS AND TO ENSURE THE REASONABLENESS OF ACTUAL SALARIES AND TOTAL COMPENSATION PACKAGES. COMPENSATION OF THE SENIOR MOST EXECUTIVES IS REVIEWED ANNUALLY. THE HAY GROUP REVIEWS BOTH CASH AND TOTAL COMPENSATION FOR OVERALL REASONABLENESS, FOR ADHERENCE TO CHI'S COMPENSATION PHILOSOPHY, AND FOR COMPARABILITY TO THE NOT-FOR-PROFIT HEALTHCARE MARKET. THIS INDEPENDENT REVIEW IS DELIVERED BY HAY GROUP TO THE HR COMMITTEE OF THE CHI BOARD OF STEWARDSHIP TRUSTEES ANNUALLY AT THEIR SEPTEMBER MEETING AND MINUTES ARE SHARED WITH THE FULL BOARD AT THE DECEMBER MEETING. THE LAST REVIEW WAS SEPTEMBER 2012.</p> <p>IN ADDITION, IN DECEMBER 2009, HAY GROUP COMPLETED A COMPREHENSIVE REVIEW OF ALL POSITIONS AT THE LEVEL OF VICE PRESIDENT AND ABOVE TO DETERMINE AND VALIDATE APPROPRIATE COMPENSATION LEVELS. THESE LEVELS HAVE BEEN REVIEWED ANNUALLY SINCE AND REVISED BASED ON MARKET DATA, WHERE APPLICABLE.</p>								
FORM 990, PART VI, SECTION B, LINE 15B	PROCESS USED TO ESTABLISH COMPENSATION OF OTHER OFFICERS/KEY EMPLOYEES	FOR THE YEAR ENDED 12/31/11, SJMC STAFF ACCUMULATED MARKET COMPARABILITY DATA THAT WAS USED TO DETERMINE APPROPRIATE COMPENSATION LEVELS FOR SJMC EXECUTIVE MANAGEMENT. SJMC MANAGEMENT PROVIDED ITS RECOMMENDATIONS TO THE SJMC BOARD FOR FINAL COMPENSATION DETERMINATION AND APPROVAL. THE BOARD APPROVED THE COMPENSATION PACKAGE AND DOCUMENTED SUCH APPROVAL IN THE MINUTES, ALONG WITH THE COMPARABILITY DATA RELIED UPON IN DETERMINING THE APPROPRIATE COMPENSATION LEVELS.								
FORM 990, PART VI, LINE 16B	JOINT VENTURE POLICY	<p>ST. JOSEPH MEDICAL CENTER, INC., HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES. HOWEVER CHI'S SYSTEM-WIDE JOINT VENTURE MODEL OPERATING AGREEMENT INCORPORATES CONTROLS OVER THE VENTURE SUFFICIENT TO ENSURE THAT (1) THE EXEMPT ORGANIZATION AT ALL TIMES RETAINS CONTROL OVER THE VENTURE SUFFICIENT TO ENSURE THAT THE PARTNERSHIP FURTHERS THE EXEMPT PURPOSE OF THE ORGANIZATION; (2) IN ANY PARTNERSHIP IN WHICH THE EXEMPT ORGANIZATION IS A PARTNER, ACHIEVEMENT OF EXEMPT PURPOSES IS PRIORITIZED OVER MAXIMIZATION OF PROFITS FOR THE PARTNERS; (3) THE PARTNERSHIP DOES NOT ENGAGE IN ANY ACTIVITIES THAT WOULD JEOPARDIZE THE EXEMPT ORGANIZATION'S EXEMPTION; (4) RETURNS OF CAPITAL, ALLOCATIONS, AND DISTRIBUTIONS MUST BE MADE IN PROPORTION TO THE PARTNERS' RESPECTIVE OWNERSHIP INTERESTS; AND (5) ALL CONTRACTS ENTERED INTO BY THE PARTNERSHIP WITH THE EXEMPT ORGANIZATION MUST BE AT ARM'S-LENGTH, WITH PRICES SET AT FAIR MARKET VALUE.</p> <p>ANY JOINT VENTURE AGREEMENTS THAT DO NOT CONFORM TO THE MODEL AGREEMENT ARE GENERALLY REVIEWED BY COUNSEL.</p>								
FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC	<p>THE ARTICLES OF INCORPORATION ARE AVAILABLE AT THE STATE OF MARYLAND HEALTH SERVICES COST REVIEW COMMISSION AT WWW.MARYLAND.GOV. THE ORGANIZATION'S CONFLICT OF INTEREST POLICY AND BYLAWS ARE AVAILABLE UPON REQUEST AT ST. JOSEPH MEDICAL CENTER, INC.</p> <p>THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW.CATHOLICHEALTHINIT.ORG OR AT WWW.DACBOND.ORG.</p>								
FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (B)	ESTIMATE OF HOURS DEVOTED TO RELATED ORGANIZATIONS	COMPENSATION REPORTED ON FORM 990, PART VII AS PAID BY RELATED ORGANIZATIONS WAS PAID TO THESE INDIVIDUALS FOR THE FULFILLMENT OF THEIR DUTIES AS FULL-TIME, 60 HOUR-PER-WEEK EMPLOYEES								
FORM 990, PART VII, SECTION A, LINE 5	REPORTABLE INDIVIDUALS COMPENSATED BY UNRELATED ORGANIZATIONS	THE SERVICES PROVIDED BY CHARLES NEUMANN AS INTERIM CEO FOR ST. JOSEPH MEDICAL CENTER, INC. ("SJMC") WERE PART ON AN AGREEMENT WITH FTI CONSULTING TO PROVIDE INTERIM MANAGEMENT SERVICES TO SJMC. FEES PAID TO FTI CONSULTING ASSOCIATED WITH MR. NEUMANN'S SERVICES ARE DISCLOSED ON FORM 990, SCHEDULE J, PART II, ROW (I) AND 990, PART VII, COLUMN (D) AS A REPORTING ORGANIZATION.								
FORM 990, PART XI, LINE 5	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1"> <thead> <tr> <th>(a) Description</th> <th>(b) Amount</th> </tr> </thead> <tbody> <tr> <td>NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS</td> <td>- 858,010</td> </tr> <tr> <td>PRIOR PERIOD ADJUSTMENTS</td> <td>4,000,000</td> </tr> <tr> <td>CHI CONNECT DEPRECIATION</td> <td>812,724</td> </tr> </tbody> </table>	(a) Description	(b) Amount	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS	- 858,010	PRIOR PERIOD ADJUSTMENTS	4,000,000	CHI CONNECT DEPRECIATION	812,724
(a) Description	(b) Amount									
NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS	- 858,010									
PRIOR PERIOD ADJUSTMENTS	4,000,000									
CHI CONNECT DEPRECIATION	812,724									

Return Reference	Identifier	Explanation	
		(a) Description	(b) Amount
		AFFILIATE TRANSFER FOUNDATION	- 120,470

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

ST. JOSEPH MEDICAL CENTER, INC.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Employer identification number

52-0591461

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ALEGENT HEALTH - BERGAN MERCY HEALTH SYS (47-0484764) 7500 MERCY ROAD, OMAHA, NE 68124	HEALTHCARE	NE	501(C)(3)	3	CHI		✓
(2) ALEGENT HEALTH - MERCY HOSPITAL, CORNING, IOWA (42-0782518) P.O. BOX 368, CORNING, IA 50841	HEALTHCARE	IA	501(C)(3)	3	AHBMHS		✓
(3) ALVERNA APARTMENTS (41-1351177) 300 SE 8TH AVENUE, LITTLE FALLS, MN 56345	LTERM CARE	MN	501(C)(3)	9	CHI		✓
(4) APPLETREE COURT (41-1850500) 601 OAK STREET, BRECKENRIDGE, MN 56520	SENIOR HOMES	MN	501(C)(3)	9	SFH		✓
(5) BISHOP DRUMM RETIREMENT CENTER (42-0725196) 1111 6TH AVENUE, DES MOINES, IA 50314	LTERM CARE	IA	501(C)(3)	9	CHI-IA CORP		✓
(6) BORNEMANN HEALTHCARE CORPORATION (23-2187242) 2500 BERNVILLE RD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	11 - TYPE I	CHI		✓
(7) CARRINGTON HEALTH CENTER (45-0227311) 800 NORTH 4TH STREET, CARRINGTON, ND 58421	HEALTHCARE	ND	501(C)(3)	3	CHI		✓

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

Cat. No. 50135Y

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(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" to 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
(1) ALTERNATIVE INSURANCE MANAGEMENT SERVICE (84-1112049) 3900 OLYMPIC BOULEVARD, SUITE 400, ERLANGER, KY 41018	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	3,267,441	100
(2) AMERICAN NURSING CARE (31-1085414) 1700 EDISON DRIVE, MILFORD, OH 45150	HOME HEALTH	OH	CHS	C CORPORATION	4,648,726	44,654,199	100
(3) AMERIMED, INC. (31-1158699) 1700 EDISON DRIVE, MILFORD, OH 45150	HOME HEALTH	OH	ANC	C CORPORATION	662,062	11,666,874	100
(4) BC HOLDING COMPANY, INC. (31-1542851) 1850 BLUEGRASS AVE, LOUISVILLE, KY 40215	FITNESS CLUB	KY	JH	C CORPORATION	0	0	100
(5) CADUCEUS MEDICAL ASSOCIATES, INC. (62-1570736) 5600 BRANNER ROAD, SUITE 500, CHATTANOOGA, TN 37411	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	100
(6) CAPTIVE MANAGEMENT INITIATIVES (98-0663022) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100
(7) CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH (27-2269511) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	RESEARCH	CO	CIRI	TRUST	-2,864,605	2,809,707	100

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		✓
b Gift, grant, or capital contribution to related organization(s)	✓	
c Gift, grant, or capital contribution from related organization(s)	✓	
d Loans or loan guarantees to or for related organization(s)		✓
e Loans or loan guarantees by related organization(s)	✓	
f Sale of assets to related organization(s)		✓
g Purchase of assets from related organization(s)		✓
h Exchange of assets with related organization(s)		✓
i Lease of facilities, equipment, or other assets to related organization(s)	✓	
j Lease of facilities, equipment, or other assets from related organization(s)		✓
k Performance of services or membership or fundraising solicitations for related organization(s)		✓
l Performance of services or membership or fundraising solicitations by related organization(s)	✓	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		✓
n Sharing of paid employees with related organization(s)	✓	
o Reimbursement paid to related organization(s) for expenses		✓
p Reimbursement paid by related organization(s) for expenses	✓	
q Other transfer of cash or property to related organization(s)		✓
r Other transfer of cash or property from related organization(s)	✓	

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 other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	ST JOSEPH MEDICAL CENTER FOUNDATION	B	1,091,761	FMV
(2)	ST JOSEPH MEDICAL CENTER FOUNDATION	C	2,816,670	FMV
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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 section 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) CATHOLIC HEALTH INITIATIVES (47-0617373) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	9	N/A		✓
(9) CATHOLIC HEALTH INITIATIVES COLORADO FOUNDATION (84-0902211) 6385 CORPORATE DRIVE, COLORADO SPRINGS, CO 80919	FUNDRAISING	CO	501(C)(3)	7	CHIC		✓
(10) CATHOLIC HEALTH INITIATIVES INSTITUTE FOR RESEARCH AND INNOVATION (27-1050565) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	11 - TYPE I	CHI		✓
(11) CATHOLIC HEALTH INITIATIVES NATIONAL FOUNDATION (27-0930004) 6385 CORPORATE DRIVE, COLORADO SPRINGS, CO 80919	FUNDRAISING	CO	501(C)(3)	9	CHI		✓
(12) CATHOLIC HEALTH INITIATIVES-COLORADO (84-0405257) 188 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	3	CHI		✓
(13) CENTENNIAL MEDICAL GROUP, INC. (26-3946191) 2700 STEWART PARKWAY, ROSEBURG, OR 97470	PHYSICIANS	OR	501(C)(3)	9	MMC		✓
(14) CENTRAL KANSAS MEDICAL CENTER (48-0543724) 3515 BROADWAY, GREAT BEND, KS 67530	SURGERY CNTR	KS	501(C)(3)	3	CHI		✓
(15) CHI HEALTH CONNECT AT HOME - FARGO (27-1966847) 4816 AMBER VALLEY PARKWAY, FARGO, ND 58104	HEALTHCARE	ND	501(C)(3)	3	CHI		✓
(16) CHI KENTUCKY, INC (20-2741651) 3900 OLYMPIC BLVD., SUITE 400, ERLANGER, KY 41018	HEALTHCARE	KY	501(C)(3)	11 - TYPE I	CHI		✓
(17) CHI NATIONAL HOME CARE (45-1261716) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	11 - TYPE I	CHI NS		✓
(18) CHI NATIONAL SERVICES (45-2532084) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	9	CHI		✓
(19) CHI NEBRASKA (36-3233121) 6940 O STREET, SUITE 200, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	11 - TYPE I	CHI		✓
(20) CONTINUING CARE HOSPITAL (61-1400619) 150 NORTH EAGLE CREEK DRIVE, LEXINGTON, KY 40509	LTACH	KY	501(C)(3)	3	SJHS		✓
(21) COVENANT HOME CARE (23-2018429) 1223 POTTSVILLE PIKE, SHOEMAKERSVILLE, PA 19555	HOME HEALTH	PA	501(C)(3)	11 - TYPE II	N/A		✓
(22) ENUMCLAW REGIONAL HOSPITAL ASSOCIATION (91-0715805) 1450 BATTERSBY AVENUE, ENUMCLAW, WA 98022	HEALTHCARE	WA	501(C)(3)	3	FHS		✓
(23) FLAGET HEALTHCARE, D/B/A FLAGET MEMORIAL HOSPITAL (61-1345363) 4305 NEW SHEPHERDSVILLE ROAD, BARDSTOWN, KY 40004	HEALTHCARE	KY	501(C)(3)	3	KOH		✓
(24) FLAGET MEMORIAL HOSPITAL FOUNDATION, INC (56-2351341) 4305 NEW SHEPHERDSVILLE ROAD, BARDSTOWN, KY 40004	FUNDRAISING	KY	501(C)(3)	11 - TYPE I	PH		✓
(25) FRANCISCAN FOUNDATION (91-1145592) 1717 SOUTH J STREET, TACOMA, WA 98405	FUNDRAISING	WA	501(C)(3)	9	FHS		✓
(26) FRANCISCAN HEALTH SYSTEM FKA FRANCISCAN HEALTH SYSTEM WEST (91-0564491) 1717 SOUTH J STREET, TACOMA, WA 98405	HEALTHCARE	WA	501(C)(3)	3	CHI		✓
(27) FRANCISCAN MEDICAL GROUP (91-1939739) 1708 SOUTH YAKIMA AVENUE, TACOMA, WA 98405	HEALTHCARE	WA	501(C)(3)	9	FHS		✓
(28) FRANCISCAN VILLA OF SOUTH MILWAUKEE, INC (39-1093829) 3601 SOUTH CHICAGO AVENUE, SOUTH MILWAUKEE, WI 53172	HEALTHCARE	WI	501(C)(3)	9	CHI		✓
(29) GETTYSBURG MEDICAL CENTER (46-0234354)	HEALTHCARE	SD	501(C)(3)	3	SMHC		✓

(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
606 EAST GARFIELD AVENUE, GETTYSBURG, SD 57442							
(30) GLOBAL HEALTH INITIATIVES (20-1536108) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	MINISTRIES	CO	501(C)(3)	11 - TYPE I	CHI		✓
(31) GOOD SAMARITAN COLLEGE OF NURSING & HEALTH SCIENCE (31-1778403) 375 DIXMYTH AVE, CINCINNATI, OH 45220	EDUCATION	OH	501(C)(3)	2	GSH		✓
(32) GOOD SAMARITAN FOUNDATION OF CINCINNATI, INC. (31-1206047) 619 OAK STREET, ACCOUNTING-3 W, CINCINNATI, OH 45206	FUNDRAISING	OH	501(C)(3)	11 - TYPE I	GSH		✓
(33) GOOD SAMARITAN HOSPITAL (47-0379755) P.O. BOX 1990, KEARNEY, NE 68848	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA		✓
(34) GOOD SAMARITAN HOSPITAL FOUNDATION (47-0659443) 111 W 31ST STREET, KEARNEY, NE 68847	FUNDRAISING	NE	501(C)(3)	7	GSH		✓
(35) HEALTH S.E.T. (84-1102943) 4200 WEST CONEJO PLACE, #436, DENVER, CO 80204	LOW INC.CARE	CO	501(C)(3)	7	CHIC		✓
(36) HEALTHCARE AND WELLNESS FOUNDATION (76-0761782) 2400 ST. FRANCIS DRIVE, BRECKENRIDGE, MN 56520	FUNDRAISING	MN	501(C)(3)	11 - TYPE I	SFMC		✓
(37) HOSPITAL ASSOCIATION FOR ST. JOSEPH HOSPITAL (52-6050777) 7601 OSLER DRIVE, TOWSON, MD 21204	HEALTHCARE	MD	501(C)(3)	9	SJMC		✓
(38) HOUSE OF MERCY (42-1323808) 1111 6TH AVENUE, DES MOINES, IA 50314	SHELTER	IA	501(C)(3)	7	CHI-IA CORP		✓
(39) JEWISH HOSPITAL AND ST. MARY'S HEALTHCARE (61-1029768) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	HEALTHCARE	KY	501(C)(3)	3	KOH		✓
(40) JEWISH PHYSICIAN GROUP, INC. (61-1352729) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40215	HEALTHCARE	KY	501(C)(3)	9	JHSMH		✓
(41) KENTUCKYONE HEALTH, INC. FKA JH PROPERTIES, INC. (61-1029769) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	HEALTHCARE	KY	501(C)(3)	9	CHI		✓
(42) LAKEWOOD HEALTH CENTER (41-0758434) 600 MAIN AVENUE SOUTH, BAUDETTE, MN 56623	HEALTHCARE	MN	501(C)(3)	3	CHI		✓
(43) LINUS OAKS, INC. (93-0821381) 2700 STEWART PARKWAY, ROSEBURG, OR 97470	SENIOR LIVING	OR	501(C)(3)	9	MMC		✓
(44) LISBON AREA HEALTH SERVICES (82-0558886) 905 MAIN STREET, LISBON, ND 58054	HEALTHCARE	ND	501(C)(3)	3	CHI		✓
(45) MEMORIAL HEALTH CARE SYSTEM FOUNDATION (62-1839548) 2525 DE SALES AVENUE, CHATTANOOGA, TN 37404	FUNDRAISING	TN	501(C)(3)	7	MHCS		✓
(46) MEMORIAL HEALTH CARE SYSTEM, INC. (62-0532345) 2525 DE SALES AVENUE, CHATTANOOGA, TN 37404	HEALTHCARE	TN	501(C)(3)	3	CHI		✓
(47) MEMORIAL HEALTH PARTNERS FOUNDATION, INC (03-0417049) 6028 SHALLOWFORD ROAD, CHATTANOOGA, TN 37421	HEALTHCARE	TN	501(C)(3)	9	MHCS		✓
(48) MERCY AUXILIARY OF CENTRAL IOWA (42-6076069) 1111 6TH AVENUE, DES MOINES, IA 50314	AUXILIARY	IA	501(C)(3)	11 - TYPE I	CHI-IA CORP		✓
(49) MERCY CLINICS, INC. (42-1193699) 1111 6TH AVENUE, DES MOINES, IA 50314	PHYSICIAN	IA	501(C)(3)	9	CHI-IA CORP		✓
(50) MERCY COLLEGE OF HEALTH SCIENCES (42-1511682) 1111 6TH AVENUE, DES MOINES, IA 50314	EDUCATION	IA	501(C)(3)	2	CHI-IA CORP		✓
(51) MERCY FOUNDATION OF DES MOINES, IA (23-7358794) 1111 6TH AVENUE, DES MOINES, IA 50314	FUNDRAISING	IA	501(C)(3)	7	CHI-IA CORP		✓
(52) MERCY FOUNDATION, INC. (93-6088946) 2700 STEWART PARKWAY, ROSEBURG, OR 97470	FUNDRAISING	OR	501(C)(3)	7	MMC		✓
(53) MERCY HEALTH CARE FOUNDATION (42-1461064) P.O. BOX 368, CORNING, IA 50841	FUNDRAISING	NE	501(C)(3)	11 - TYPE I	AHMH		✓

(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) MERCY HEALTHCARE FOUNDATION (45-0226553) 570 CHAUTAQUA BOULEVARD, VALLEY CITY, ND 58072	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	MHVC	✓	
(55) MERCY HOSPITAL FOUNDATION, COUNCIL BLUFFS (42-1178204) 800 MERCY DRIVE, COUNCIL BLUFFS, IA 51503	FUNDRAISING	IA	501(C)(3)	11 - TYPE I	AHBMHS	✓	
(56) MERCY HOSPITAL OF DEVILS LAKE (45-0227012) 1031 SEVENTH STREET NE, DEVILS LAKE, ND 58301	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(57) MERCY HOSPITAL OF VALLEY CITY (45-0226553) 570 CHAUTAQUA BOULEVARD, VALLEY CITY, ND 58072	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(58) MERCY MEDICAL CENTER (93-0386868) 2700 STEWART PARKWAY, ROSEBURG, OR 97470	HEALTHCARE	OR	501(C)(3)	3	CHI	✓	
(59) MERCY MEDICAL CENTER (45-0231183) 1301 15TH AVENUE WEST, WILLISTON, ND 58801	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(60) CATHOLIC HEALTH INITIATIVES-IOWA CORP. DBA MERCY MEDICAL CENTER-DES MOINES (42-0680448) 1111 6TH AVENUE, DES MOINES, IA 50314	HEALTHCARE	IA	501(C)(3)	3	CHI	✓	
(61) MERCY MEDICAL FOUNDATION (45-0381803) 1301 15TH AVENUE WEST, WILLISTON, ND 58801	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	MMC	✓	
(62) MERCY PROFESSIONAL PRACTICE ASSOCIATES, INC. (42-1470935) 1111 6TH AVENUE, DES MOINES, IA 50314	PHYSICIAN	IA	501(C)(3)	9	CHI-IA CORP	✓	
(63) MLIFECARES (43-1305163) 2727 MCCLELLAND BLVD, JOPLIN, MO 64804	PROPERTY MGMT	MO	501(C)(3)	11 - TYPE I	SJPMC	✓	
(64) MNMCH, INC. (48-1216238) 220 NORTH PENNSYLVANIA, COLUMBUS, KS 66725	HEALTHCARE	KS	501(C)(3)	3	SJPMC	✓	
(65) MT. ST. JOSEPH, INC. (93-0386870) 3060 SE STARK STREET, PORTLAND, OR 97214	NURSING CARE	OR	501(C)(3)	9	CHI	✓	
(66) NEBRASKA HEART HOSPITAL (39-2031968) 7500 SOUTH 91ST STREET, LINCOLN, NE 68526	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(67) OAKES COMMUNITY HOSPITAL (45-0231675) 314 SOUTH 8TH STREET, OAKES, ND 58474	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(68) OAKES COMMUNITY HOSPITAL FOUNDATION (71-0966606) 1200 N. 7TH STREET, OAKES, ND 58474	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	OCH	✓	
(69) PUEBLO STEPUP (84-1234295) 1925 EAST ORMAN AVE, SUITE G52, PUEBLO, CO 81004	COMMUNITY	CO	501(C)(3)	7	CHIC	✓	
(70) S.E.T. OF COLORADO SPRINGS, INC. (84-1183335) 825 E. PIKES PEAK AVENUE, BLDG 29, COLORADO SPRINGS, CO 80903	LTERM CARE	CO	501(C)(3)	7	CHIC	✓	
(71) SAINT CLARE'S COMMUNITY CARE (22-2876836) 25 POCONO ROAD, DENVER, NJ 07834	HEALTHCARE	NJ	501(C)(3)	11 - TYPE II	SCHS	✓	
(72) SAINT CLARE'S FOUNDATION, INC. (22-2502997) 25 POCONO ROAD, DENVER, NJ 07834	FUNDRAISING	NJ	501(C)(3)	7	SCHS	✓	
(73) SAINT CLARE'S HEALTH SERVICES, INC. (22-3639733) 25 POCONO ROAD, DENVER, NJ 07834	MANAGEMENT	NJ	501(C)(3)	7	CHI	✓	
(74) SAINT CLARE'S HOSPITAL (22-3319886) 25 POCONO ROAD, DENVER, NJ 07834	HEALTHCARE	NJ	501(C)(3)	3	SCHS	✓	
(75) SAINT ELIZABETH FOUNDATION (47-0625523) 555 SOUTH 70TH STREET, LINCOLN, NE 68510	FUNDRAISING	NE	501(C)(3)	7	SERMC	✓	
(76) SAINT ELIZABETH HEALTH SERVICES (36-3233120) 555 SOUTH 70TH STREET, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	3	SERMC	✓	
(77) SAINT ELIZABETH REGIONAL MEDICAL CENTER (47-0379836) 555 SOUTH 70TH STREET, LINCOLN, NE 68510	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(78) SAINT FRANCIS MEDICAL CENTER (47-0376601)	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	

(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
2620 WEST FAIDLEY, GRAND ISLAND, NE 68803							
(79) SAINT FRANCIS MEDICAL CENTER FOUNDATION (47-0630267) P.O. BOX 9804, GRAND ISLAND, NE 68802	FUNDRAISING	NE	501(C)(3)	7	SFMC		✓
(80) SAINT JOSEPH BEREHA HOSPITAL FOUNDATION, INC. (26-0152877) 305 ESTILL STREET, BEREHA, KY 40403	FUNDRAISING	KY	501(C)(3)	7	SJHS		✓
(81) SAINT JOSEPH HEALTH SYSTEM, INC. (61-1334601) 424 LEWIS HARGETT CIRCLE, #160, LEXINGTON, KY 40509	HEALTHCARE	KY	501(C)(3)	3	CHI		✓
(82) SAINT JOSEPH LONDON FOUNDATION, INC. (26-0438748) 310 EAST NINTH STREET, LONDON, KY 40741	FUNDRAISING	KY	501(C)(3)	11 - TYPE I	SJHS		✓
(83) SAINT JOSEPH MEDICAL FOUNDATION, INC. (31-1539059) ONE ST. JOSEPH DRIVE, LEXINGTON, KY 40504	PHY PRACTICES	KY	501(C)(3)	3	SJHS		✓
(84) SAINT JOSEPH MOUNT STERLING FOUNDATION, INC. (27-2884584) 50 STERLING AVENUE, MOUNT STERLING, KY 40353	FUNDRAISING	KY	501(C)(3)	7	SJHS		✓
(85) SAINT JOSEPH'S HOSPITAL FOUNDATION (36-3418207) 30 WEST 7TH STREET, DICKINSON, ND 58601	FUNDRAISING	ND	501(C)(3)	11 - TYPE I	SJHHC		✓
(86) SAMARITAN BEHAVIORAL HEALTH (02-0633634) 601 S. EDWIN C. MOSES BLVD., DAYTON, OH 45408	HEALTHCARE	OH	501(C)(3)	3	SHP		✓
(87) SAMARITAN HEALTH FOUNDATION (23-7296923) 2222 PHILADELPHIA DRIVE, DAYTON, OH 45406	FUNDRAISING	OH	501(C)(3)	7	SHP		✓
(88) SAMARITAN HEALTH PARTNERS (31-1107411) 2222 PHILADELPHIA DRIVE, DAYTON, OH 45406	HEALTHCARE	OH	501(C)(3)	11 - TYPE I	CHI		✓
(89) SJMGROUP (43-1882377) 2727 MCCLELLAND BLVD, JOPLIN, MO 64804	PHYS PRACTICE	MO	501(C)(3)	9	SJRCMC		✓
(90) SJRCMC, JOPLIN MISSOURI (44-0545809) 2727 MCCLELLAND BLVD, JOPLIN, MO 64804	HEALTHCARE	MO	501(C)(3)	3	CHI		✓
(91) ST JOSEPH HEALTH MINISTRIES (23-2342997) 1929 LINCOLN HWY E, STE 150, LANCASTER, PA 17602	HEALTH	PA	501(C)(3)	11 - TYPE I	CHI		✓
(92) ST. ANTHONY HOSPITAL (93-0391614) 1601 S.E. COURT AVENUE, PENDLETON, OR 97801	HEALTHCARE	OR	501(C)(3)	3	CHI		✓
(93) ST. ANTHONY HOSPITAL FOUNDATION (93-0992727) 1601 S.E. COURT AVENUE, PENDLETON, OR 97801	FUNDRAISING	OR	501(C)(3)	11 - TYPE I	SA HOSPITAL		✓
(94) ST. ANTHONY'S HOSPITAL ASSOCIATION (71-0245507) FOUR HOSPITAL DRIVE, MORRILTON, AR 72110	HEALTHCARE	AR	501(C)(3)	3	SVIMC		✓
(95) ST. CATHERINE HOSPITAL (48-0543721) 401 EAST SPRUCE STREET, GARDEN CITY, KS 67846	HEALTHCARE	KS	501(C)(3)	3	CHI		✓
(96) ST. CATHERINE HOSPITAL DEVELOPMENT FOUNDATION (20-0598702) 401 EAST SPRUCE STREET, GARDEN CITY, KS 67846	FUNDRAISING	KS	501(C)(3)	11 - TYPE I	SCH		✓
(97) ST. DOMINIC OF ONTARIO, OREGON (93-0433692) 351 S.W. 9TH STREET, ONTARIO, OR 97914	HEALTHCARE	OR	501(C)(3)	3	CHI		✓
(98) ST. FRANCIS HOME (41-0729978) 2400 ST. FRANCIS DRIVE, BRECKENRIDGE, MN 56520	LTERM CARE	MN	501(C)(3)	9	CHI		✓
(99) ST. FRANCIS LIFE CARE CORPORATION (22-2536017) 19 POCONO ROAD, DENVER, NJ 07834	ELDERLY CARE	NJ	501(C)(3)	9	SCHS		✓
(100) ST. FRANCIS MEDICAL CENTER (41-0695598) 2400 ST. FRANCIS DRIVE, BRECKENRIDGE, MN 56520	HEALTHCARE	MN	501(C)(3)	3	CHI		✓
(101) ST. FRANCIS OF BAKER CITY (93-0412495) 3325 POCAHONTAS ROAD, BAKER CITY, OR 97814	HEALTHCARE	OR	501(C)(3)	3	CHI		✓
(102) ST. JOHN'S MERCY REGIONAL FOUNDATION (43-1308084) 2727 MCCLELLAND BLVD, JOPLIN, MO 64804	FUNDRAISING	MO	501(C)(3)	7	SJRCMC		✓

(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
(103) ST. JOSEPH COMMUNITY HEALTH (71-0897107) 300 CENTRAL AVE SW SUITE 3000, ALBUQUERQUE, NM 87102	COMMUNITY	NM	501(C)(3)	11 - TYPE I	CHI	✓	
(104) ST. JOSEPH HOSPITAL FOUNDATION, INC. (61-1159649) 305 ESTILL STREET, LEXINGTON, KY 40504	FUNDRAISING	KY	501(C)(3)	11 - TYPE I	SJHS	✓	
(105) ST. JOSEPH MEDICAL CENTER FOUNDATION (23-2649362) 2500 BERNVILLE ROAD, PO BOX 316, READING, PA 19603	FUNDRAISING	PA	501(C)(3)	11 - TYPE I	SJRH	✓	
(106) ST. JOSEPH MEDICAL CENTER FOUNDATION, INC. (52-1681044) 7601 OSLER DRIVE, TOWSON, MD 21204	FUNDRAISING	MD	501(C)(3)	7	SJMC	✓	
(107) ST. JOSEPH MEDICAL CENTER, INC. (52-0591461) 7601 OSLER DRIVE, TOWSON, MD 21204	HEALTHCARE	MD	501(C)(3)	3	CHI	✓	
(108) ST. JOSEPH MEDICAL GROUP (20-8544021) 2500 BERNVILLE ROAD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	9	BHC	✓	
(109) ST. JOSEPH PHYSICIAN ENTERPRISES (52-1311775) 7601 OSLER DRIVE, TOWSON, MD 21204	PHYSICIANS	MD	501(C)(3)	11 - TYPE I	SJMC	✓	
(110) ST. JOSEPH REGIONAL HEALTH NETWORK (23-1352211) 2500 BERNVILLE ROAD, PO BOX 316, READING, PA 19603	HEALTHCARE	PA	501(C)(3)	3	CHI	✓	
(111) ST. JOSEPH'S AREA HEALTH SERVICES (41-0695603) 600 PLEASANT AVENUE, PARK RAPIDS, MN 56470	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(112) ST. JOSEPH'S HOSPITAL AND HEALTH CENTER (45-0226429) 30 WEST 7TH STREET, DICKINSON, ND 58601	HEALTHCARE	ND	501(C)(3)	3	CHI	✓	
(113) MERCY MEDICAL CENTER - CENTERVILLE (42-0680308) ONE ST. JOSEPH'S DRIVE, CENTERVILLE, IA 52544	HEALTHCARE	IA	501(C)(3)	3	CHI-IA CORP	✓	
(114) ST. MARY'S COMMUNITY HOSPITAL (47-0443636) 1314 3RD AVENUE, NEBRASKA CITY, NE 68410	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	✓	
(115) ST. MARY'S HEALTHCARE CENTER (46-0230199) 801 EAST SIOUX AVENUE, PIERRE, SD 57501	HEALTHCARE	SD	501(C)(3)	3	CHI	✓	
(116) ST. MARY'S HOSPITAL FOUNDATION (47-0707604) 1314 3RD AVENUE, NEBRASKA CITY, NE 68410	FUNDRAISING	NE	501(C)(3)	7	SMH	✓	
(117) ST. VINCENT FOUNDATION (51-0169537) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	FUNDRAISING	AR	501(C)(3)	11 - TYPE I	SVIMC	✓	
(118) ST. VINCENT INFIRMARY MEDICAL CENTER (71-0236917) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	501(C)(3)	3	CHI	✓	
(119) ST. VINCENT MEDICAL GROUP (71-0830696) TWO ST. VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	501(C)(3)	9	SVIMC	✓	
(120) THE COMMUNITY LIMITED CARE DIALYSIS CENTER (23-7419853) 619 OAK STREET, ACCOUNTING-3 W, CINCINNATI, OH 45206	DIALYSIS	OH	501(C)(2)		GSH	✓	
(121) THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OH (31-0537486) 619 OAK STREET, ACCOUNTING-3 W, CINCINNATI, OH 45206	HEALTHCARE	OH	501(C)(3)	3	CHI	✓	
(122) THE MERCY HOSPITAL OF DEVILS LAKE FDN (35-2367360) 1031 SEVENTH STREET NE, DEVILS LAKE, ND 58301	FUNDRAISING	ND	501(C)(3)	7	MHDL	✓	
(123) THE PHYSICIAN NETWORK (47-0780857) 2000 Q STREET, SUITE 500, LINCOLN, NE 68503	PHYS PRACTICE	NE	501(C)(3)	11 - TYPE I	CHI NEBRASKA	✓	
(124) TOTAL HEALTHCARE (84-0927232) 188 INVERNESS DRIVE WEST, SUITE 500, ENGLEWOOD, CO 80112	HEALTHCARE	CO	501(C)(3)	3	CHIC	✓	
(125) UNITY FAMILY HEALTHCARE (41-0721642) 815 2ND STREET SE, LITTLE FALLS, MN 56345	HEALTHCARE	MN	501(C)(3)	3	CHI	✓	
(126) VILLA NAZARETH, INC. (45-0226714) 801 PAGE DRIVE, FARGO, ND 58103	LT CARE	ND	501(C)(3)	9	CHI	✓	
(127) VISITING NURSE ASSOCIATION OF SAINT CLARE'S (22-1768334) 191 WOODPORT ROAD, SPARTA, NJ 07871	HOME HEALTH	NJ	501(C)(3)	9	SCHS	✓	

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 allocation?		(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) AUDUBON LAND COMPANY LLC (84-1513085) 5390 N ACADEMY BLVD SUITE 300, COLORADO SPRINGS, CO 80918	REAL ESTATE	CO	CHIC	RELATED	34,991	-694,032		✓			✓	50.1
(2) AVANTAS, LLC (39-2045003) 11128 JOHN GALT BLVD., SUITE 400, OMAHA, NE 68137	HEALTHCARE	NE	AHBMHS	RELATED	-2,862,040	-2,537,888		✓			✓	95
(3) BERYWOOD OFFICE PROPERTIES, LLC (62-1875199) 400 BERYWOOD TRAIL, CLEVELAND, TN 37312	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		✓		✓		63
(4) BLUEGRASS REGIONAL IMAGING CENTER (61-1386736) 1218 SOUTH BROADWAY, SUITE 310, LEXINGTON, KY 40504	DIAGNOSTIC	KY	SJHS	RELATED				✓			✓	65
(5) CENTRAL NEBRASKA HOME CARE SERVICES (47-0692112) P.O. BOX 1146-4510 SECOND AVENUE, KEARNEY, NE 68848	HEALTHCARE SRVC	NE	N/A	RELATED	-92,336	745,068		✓		✓		100
(6) CENTRAL NEBRASKA REHAB SERVICE (81-0653461) 3004 W FAIDLEY AVE, GRAND ISLAND, NE 68802	PHYSICAL THERAPY	NE	SFMC	RELATED	1,835,812	2,199,571		✓			✓	51
(7) CHI OPERATING INVESTMENT PROGRAM, LP (47-0727942) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	INVESTMENTS	CO	CHI	UNRELATED	397,241,271	6,272,650,880		✓		✓		100
(8) HEALTHCARE SUPPORT SERVICES (72-1546196) P.O. BOX 9804, GRAND ISLAND, NE 68802	LAUNDRY	NE	N/A	RELATED	-11,179	3,069,835		✓			✓	100
(9) MRI AT ST. JOSEPH MEDICAL CENTER, LLC (52-1958002) 7253 AMBASSADOR ROAD, BALTIMORE, MD 21244	MEDICAL IMAGING	MD	SJMC	RELATED	423,167	2,174,155		✓		✓		51
(10) NORTH RIVER SURGERY CENTER, LLC (71-0799771) 2209 WILDWOOD AVENUE, SHERWOOD, AR 72120	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		✓			✓	57.44
(11) ODEA MEDICAL ARTS LIMITED PARTNERSHIP (52-1682964) 7601 OSLER DRIVE, TOWSON, MD 21204	REAL ESTATE	MD	TOWSON MANAGEMENT, INC.	RELATED	111,933	5,418,117		✓			✓	65.1215
(12) ORTHOCOLORADO, LLC (37-1577105) 11650 WEST 2ND PLACE, LAKEWOOD, CO 80255	ORTHO HOSPITAL	CO	CHIC	RELATED	-3,249,434	-2,760,206		✓			✓	60
(13) PENINSULA RADIATION ONCOLOGY (71-0799771) 315 MARTIN LUTHER KING JR. WAY #111, TACOMA, WA 98405	HEALTHCARE SRVC	WA	FHS	RELATED	135,014	85,985		✓			✓	60
(14) PENRAD IMAGING (84-1072619) 1390 KELLY JOHNSON BLVD, COLORADO SPRINGS, CO 80920	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	2,397,488		✓			✓	70
(15) RUXTON SURGICENTER, LLC (52-2095835) 8322 BELLONA AVENUE, SUITE 201, BALTIMORE,	SURGERY CENTER	MD	SJMC	RELATED	-69,345	2,802,932		✓		✓		51

(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 allocation?		(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	
MD 21204												
(16) SAINT JOSEPH - SCA HOLDINGS, LLC (45-3801157) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	OP SURGERY	DE	SJHS	RELATED			✓			✓		51
(17) SCA PREMIER SURGERY CENTER OF LOUISVILLE, LLC (72-1386840) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	SURGERY CENTER	KY	JH	RELATED	68,676	446,063	✓			✓		51
(18) ST FRANCIS LAND COMPANY (26-3134100) 5390 N ACADEMY BLVD SUITE 300, COLORADO SPRINGS, CO 80918	REAL ESTATE	CO	CHIC	RELATED	-130,967	408,090	✓				✓	51
(19) ST. FRANCIS MEDICAL CENTER ASSOCIATES (91-1352698) 1717 SOUTH J STREET, TACOMA, WA 98405	MED. OFFICE	WA	FHS	RELATED	110,986	1,672,098	✓				✓	54.21
(20) ST. JOSEPH-PAML, LLC (45-2116736) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	MGMT SVCS	KY	SJHS	RELATED			✓				✓	62.5
(21) SUPERIOR MEDICAL IMAGING, LLC (26-2884555) 5000 NORTH 26TH STREET, LINCOLN, NE 68521	OP DIAGNOSTICS	NE	SERMC	RELATED	-254,775	796,941	✓		0		✓	51
(22) SURGERY CENTER OF LEXINGTON, LLC (62-1179539) 424 LEWIS HARGETT CIRCLE, STE 160, LEXINGTON, KY 40503	SURGERY CENTER	DE	SJHS	RELATED	393,519	2,214,599	✓				✓	51
(23) SURGERY CENTER OF LOUISVILLE, LLC (62-1179537) 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	SURGERY CENTER	KY	JH	RELATED	-3,676	395,845	✓				✓	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
(8) CGH REALTY COMPANY, INC. (23-2326801) 215 N. 12TH ST., READING, PA 19603	REAL ESTATE	PA	SJHM	C CORPORATION			100
(9) COMCARE SERVICES (84-0904813) 4231 W 16TH AVENUE, DENVER, CO 80204	INACTIVE	CO	CHIC	C CORPORATION	0	0	100
(10) CONSOLIDATED HEALTH SERVICES (31-1378212) 1700 EDISON DRIVE, MILFORD, OH 45150	HOME HEALTH	OH	CHI	C CORPORATION	-1,525,246	65,844,862	100
(11) DAVID DEYLE CHARITABLE REMAINDER UNITRUST (47-6192395) PO BOX 1810, KEARNEY, NE 68848	INVESTMENTS	NE	GSHF	TRUST			100
(12) DES MOINES MEDICAL CENTER INC (42-0837382) 1111 6TH AVENUE, DES MOINES, IA 50314	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	71,497	1,221,667	92.98
(13) FIRST INITIATIVES INSURANCE, LTD (98-0203038) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	INSURANCE	CJ	CHI	C CORPORATION	0	0	100
(14) FRANCISCAN SERVICES, INC. (23-2487967) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	CHI	C CORPORATION	-5,719	5,837,142	100
(15) GOOD SAMARITAN OUTREACH SERVICES (47-0659440) PO BOX 1990, KEARNEY, NE 68848	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-165,666	355,110	100
(16) HAROLD W. RASE 1995 CHARITABLE UNITRUST (45-6090420) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	1,240	22,148	100
(17) HAROLD W. RASE 1996 CHARITABLE UNITRUST (20-6037112) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	1,057	15,462	100
(18) HAROLD W. RASE 1997 CHARITABLE UNITRUST (20-6037104) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	0	20,520	100
(19) HAROLD W. RASE 1999 CHARITABLE UNITRUST (20-6037099) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	0	25,036	100
(20) HEALTH SYSTEMS ENTERPRISES, INC (47-0664558) PO BOX 1990, KEARNEY, NE 68848	MANAGEMENT	NE	GSH	C CORPORATION	102,136	1,443,049	100
(21) HEALTHCARE MGMT. SERVICES ORG, INC. (91-1865474) 1149 MARKET ST., TACOMA, WA 98402	HEALTH ORG.	WA	FHS	C CORPORATION	0	0	100
(22) JAMES & HENRIETTA NISTLER UNITRUST (20-6021899) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	692	39,075	100
(23) JEANNE DEYLE CHARITABLE REMAINDER UNITRUST (47-6192398) PO BOX 1810, KEARNEY, NE 68848	INVESTMENTS	NE	GSHF	TRUST			100
(24) JOSEPH A. SCHUSTER ANNUITY TRUST #1 (42-1195122) 400 UNIVERSITY AVENUE, DES MOINES, IA 50314	INVESTMENTS	IA	MFDM	TRUST	7,834	416,349	100
(25) LODESCA MILLER CHARITABLE REMAINDER UNITRUST (47-6186933) PO BOX 1810, KEARNEY, NE 68848	INVESTMENTS	NE	GSHF	TRUST			100
(26) MEDQUEST (45-0392137) 1301 15TH AVENUE WEST, WILLISTON, ND 58801	SALE OF DME	ND	MMC WILLISTON	C CORPORATION	151,498	962,554	100
(27) MERCY PARK APARTMENTS, LTD (42-1202422) 1111 6TH AVENUE, DES MOINES, IA 50314	HOUSING	IA	CHI-IA CORP	C CORPORATION	369,905	1,937,220	100
(28) MERCY SERVICES CORP (93-0824308) 2700 STEWART PARKWAY, ROSEBURG, OR 97470	RETAIL SALES	OR	MMC	C CORPORATION	0	956,003	100
(29) MHSERVICES CORPORATION (43-1457881) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	DME	MO	SJRMCM	C CORPORATION	-4,061	0	100
(30) MOUNTAIN MANAGEMENT SERVICES INC (62-1570739)	MGMT SVC	TN	MHCS	C	-33,152	4,679,435	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
5600 BRAINERD ROAD, SUITE 500, CHATTANOOGA, TN 37411	ORG			CORPORATION			
(31) NAZARETH ASSURANCE COMPANY (03-0304831) PO BOX 10073, APO, GEORGETOWN, GRAND CAYMAN, KY1-1001, CJ	INSURANCE	CJ	CHI	CORPORATION	0	0	100
(32) PATIENT TRANSPORT SERVICES, INC. (31-1100798) 1700 EDISON DRIVE, MILFORD, OH 45150	HOME HEALTH	OH	ANC	CORPORATION	479,940		100
(33) PHYSICIAN HEALTH SYSTEM NETWORK (91-1746721) 1149 MARKET ST., TACOMA, WA 98402	HEALTH ORG.	WA	FHS	CORPORATION	0	0	100
(34) RAY & SHIRLEY DAVID 1999 UNITRUST (20-6037077) 30 WEST 7TH STREET, DICKINSON, ND 58601	INVESTMENTS	ND	SJHHC	TRUST	0	26,110	100
(35) ROBERT & WANDA CHARITABLE REMAINDER UNITRUST (26-6191916) PO BOX 1810, KEARNEY, NE 68848	INVESTMENTS	NE	GSHF	TRUST			100
(36) SAINT CLARE'S PRIMARY CARE, INC. (22-2441202) 66 FORD ROAD, DENVER, NJ 07834	BILLING SERVICES	NJ	SCCC	CORPORATION	-469,962	1,772,016	100
(37) SAMARITAN FAMILY CARE, INC. (31-1299450) 40 W. FOURTH ST., #1700, DAYTON, OH 45402	HEALTHCARE	OH	SHP	CORPORATION			100
(38) SJH SERVICES CORPORATION (23-2307408) 198 INVERNESS DRIVE WEST, ENGLEWOOD, CO 80112	HEALTHCARE	CO	FSI	CORPORATION	-192,777	2,973,858	100
(39) SJL PHYSICIAN MANAGEMENT SERVICES, INC. (27-0164198) 424 LEWIS HARGETT CR #160, LEXINGTON, KY 40503	MANAGEMENT	KY	SJHS	CORPORATION	0	0	100
(40) ST ANTHONY DEVELOPMENT COMPANY (93-1216943) 1415 SOUTHGATE, PENDELTON, OR 97801	ATHLETIC CLUB	OR	SAH	CORPORATION	92,139	3,007,550	100
(41) ST VINCENT COMMUNITY HEALTH SERVICES, INC. (71-0710785) TWO ST VINCENT CIRCLE, LITTLE ROCK, AR 72205	HEALTHCARE	AR	SVIMC	CORPORATION	2,804,485	14,049,374	100
(42) ST. JOSEPH DEVELOPMENT COMPANY, INC. (91-1480569) 1717 SOUTH J STREET, TACOMA, WA 98405	RENTAL	WA	FSI	CORPORATION	63,164	11,845,439	100
(43) ST. JOSEPH OFFICE PARK ASSOCIATION (61-1079899) 1401 HARRODSBURG ROAD, BLDG B70, LEXINGTON, KY 40504	MANAGEMENT	KY	SJHS	CORPORATION		882,139	85
(44) TOM DEYLE CHARITABLE REMAINDER UNITRUST (47-6192393) PO BOX 1810, KEARNEY, NE 68848	INVESTMENTS	NE	GSHF	TRUST			100
(45) TOWSON MANAGEMENT, INC. (52-1710750) 7601 OSLER DRIVE, TOWSON, MD 21204	MANAGEMENT SERVICES	MD	FSI	CORPORATION	(325,476)	266,960	100



CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

St. Joseph Medical Center, Inc. and Subsidiaries
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2012 and 2011

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Report of Independent Auditors

The Board of Directors
St. Joseph Medical Center, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of St. Joseph Medical Center, Inc. and subsidiaries (the Corporation) as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. 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. We were not engaged to perform an audit of the Corporation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, the Corporation changed its method of accounting for insurance claims and recoveries effective July 1, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St. Joseph Medical Center, Inc. and subsidiaries at June 30, 2012 and 2011, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 20, 2012

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	June 30	
	2012	2011
Assets		
Current assets:		
Cash and equivalents	\$ 6,899	\$ 10,540
Patient accounts receivable, net of allowance for doubtful accounts of \$9,423 in 2012 and \$11,943 in 2011	41,096	41,286
Other receivables	3,748	2,241
Prepaid assets and inventories	6,417	6,187
Total current assets	<u>58,160</u>	60,254
Assets whose use is limited (Note 3):		
Internally designated for future capital purposes	20,385	23,480
Restricted by donor	7,577	7,251
	<u>27,962</u>	30,731
Property and equipment, net (Note 4)	155,266	166,827
Investment in unconsolidated organizations (Note 5)	7,224	8,510
Other assets	51,422	2,180
Total assets	<u>\$ 300,034</u>	<u>\$ 268,502</u>

	June 30	
	2012	2011
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 38,055	\$ 30,837
Compensation and benefits	11,558	9,920
Advances from third-party payors	13,769	11,493
Current portion of long-term debt (<i>Note 6</i>)	4,168	5,261
Total current liabilities	<u>67,550</u>	<u>57,511</u>
Long-term liabilities	11,945	12,554
Self-insured reserves and claims	49,553	
Long-term debt (<i>Note 6</i>)	101,880	106,049
Total liabilities	<u>230,928</u>	<u>176,114</u>
Net assets:		
Unrestricted	61,427	84,699
Temporarily restricted	4,782	4,716
Permanently restricted	2,897	2,973
Total net assets	<u>69,106</u>	<u>92,388</u>
Total liabilities and net assets	<u>\$ 300,034</u>	<u>\$ 268,502</u>

See accompanying notes.

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended June 30	
	2012	2011
Revenues:		
Net patient services	\$ 321,447	\$ 330,184
Non-patient:		
Donations	481	593
Changes in equity of unconsolidated organizations	3,790	4,192
Other	5,942	6,007
Total non-patient revenues	<u>10,213</u>	<u>10,792</u>
Total operating revenues	<u>331,660</u>	<u>340,976</u>
Expenses:		
Salaries and wages	126,483	126,162
Employee benefits	25,934	28,102
Medical professional fees	21,446	22,442
Purchased services	40,785	38,823
Consulting and legal	6,167	5,152
Supplies	68,413	73,107
Bad debts	11,232	13,178
Utilities	4,188	4,758
Insurance	5,945	5,481
Rental, leases, and maintenance	5,979	6,934
Depreciation	18,196	18,397
Interest	6,241	6,250
Other	10,143	11,015
Total operating expenses before restructuring, impairment and other losses	<u>351,152</u>	<u>359,801</u>
Loss from operations before restructuring, impairment and other losses	(19,492)	(18,825)
Restructuring, impairment and other losses	<u>4,788</u>	<u>1,053</u>
Loss from operations	(24,280)	(19,878)
Non-operating (loss) gains:		
Investment (loss) income, net	(126)	3,839
Total non-operating (loss) gains	<u>(126)</u>	<u>3,839</u>
Deficit of revenues over expenses	<u>\$ (24,406)</u>	<u>\$ (16,039)</u>

St. Joseph Medical Center, Inc. and Subsidiaries

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

(In Thousands)

	Year Ended June 30	
	2012	2011
Unrestricted net assets:		
Deficit of revenues over expenses	\$ (24,406)	\$ (16,039)
Net assets released from restrictions	241	2,858
Transfers from affiliates	893	883
Decrease in unrestricted net assets	<u>(23,272)</u>	<u>(12,298)</u>
Temporarily restricted net assets:		
Contributions	453	2,443
Net assets released from restrictions	(387)	(3,270)
Increase (decrease) in temporarily restricted net assets	<u>66</u>	<u>(827)</u>
Permanently restricted net assets:		
Contributions	(76)	2,623
(Decrease) increase in permanently restricted net assets	<u>(76)</u>	<u>2,623</u>
Decrease in net assets	<u>(23,282)</u>	<u>(10,502)</u>
Net assets at beginning of year	<u>92,388</u>	102,890
Net assets at end of year	<u><u>\$ 69,106</u></u>	<u><u>\$ 92,388</u></u>

See accompanying notes.

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended June 30	
	2012	2011
Cash flows from operating activities		
Change in net assets	\$ (23,282)	\$ (10,502)
Depreciation	18,196	18,397
Provision for bad debts	11,232	13,178
Transfers from affiliates	(893)	(883)
Share of income from unconsolidated organizations	(3,790)	(4,192)
Loss on impairment	–	826
Distributions from investments in unconsolidated organizations	4,469	4,062
Net changes in operating assets and liabilities:		
Accounts receivable and other receivables	(12,486)	(12,132)
Prepaid assets and inventories	(230)	865
Accounts payable and accrued expenses	7,218	(13,955)
Other liabilities	(609)	(603)
Compensation and benefits	1,638	(121)
Net cash provided by (used in) operating activities, before net change in assets whose use is limited	1,463	(5,060)
Decrease (increase) in assets whose use is limited	2,769	(5,730)
Net cash provided by (used in) operating activities	4,232	(10,790)
Cash flows from investing activities		
Additions to property and equipment, net	(6,635)	(16,927)
Proceeds from sale of investment in Ruxton Surgicenter, LLC	544	–
Change in other assets	311	389
Net cash used in investing activities	(5,780)	(16,538)
Cash flows from financing activities		
Proceeds from long-term debt	–	22,000
Payments of long-term debt	(5,262)	(6,046)
Transfers from affiliates	893	883
Advances from third parties	2,276	157
Net cash (used in) provided by financing activities	(2,093)	16,994
Decrease in cash and equivalents	(3,641)	(10,334)
Cash and equivalents at beginning of year	10,540	20,874
Cash and equivalents at end of year	\$ 6,899	\$ 10,540
Supplemental disclosure of cash flow information		
Interest paid	\$ 6,241	\$ 6,250

See accompanying notes.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Dollar amounts in thousands)

June 30, 2012

1. Summary of Significant Accounting Policies

Organization

St. Joseph Medical Center, Inc. and subsidiaries (the Corporation) are tax-exempt Maryland corporations. The Corporation is a direct affiliate of Catholic Health Initiatives (CHI), a tax-exempt Colorado corporation. The mission of CHI is to nurture the healing ministry of the Church, bringing it new life, energy, and viability in the 21st century. CHI is committed to fidelity to the Gospel, with emphasis on human dignity and social justice in the creation of healthier communities. CHI is sponsored by a lay-religious partnership, calling on other Catholic sponsors and systems to unite to ensure the future of Catholic health care.

The Corporation sponsors inpatient, outpatient, and emergency care services for residents of the Baltimore Metropolitan Area. The mission of the Corporation is to provide healing through loving service and compassionate care to all, regardless of their ability to pay.

CHI sponsors market-based organizations and other facilities in 19 states, including 74 acute-care hospitals, of which 21 are designated as critical access hospitals by the Medicare program, 40 long-term care, assisted living and residential facilities, two community health service organizations, home health agencies and two accredited nursing colleges. CHI also has an offshore captive insurance company. CHI is committed to providing additional financing to the Corporation at least through July 1, 2013 or the closing date of the transaction with the University of Maryland Medical System (UMMS) discussed in Note 13.

Principles of Consolidation

The consolidated financial statements include St. Joseph Medical Center, Inc., its wholly owned subsidiary, St. Joseph Medical Center Foundation, Inc., and St. Joseph Physician Enterprise (SJPE). SJPE is a Maryland nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code. Although SJPE is a wholly owned subsidiary of CHI, the Corporation retains oversight of daily operations at SJPE and holds a majority voting interest. Therefore, the operations of SJPE continue to be included within the Corporation's consolidated financial statements in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 954-810, *Consolidation (Health Care Entities)*.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

All intercompany accounts and transactions have been eliminated in consolidation. Investments in unconsolidated affiliates, over which we exercise significant influence, but not control, are accounted for by the equity method. Accordingly, the Corporation's share of net income or loss of unconsolidated affiliates is included in consolidated deficit of revenues over expenses.

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. Substantially all of the Corporation's cash and equivalents are held by the CHI Cash Management Program. The CHI Cash Management Program invests 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. The carrying value of cash and equivalents approximates fair value.

Accounts Receivable

Revenues and accounts receivable from patient services have been adjusted to the estimated amounts that are expected to be received net of all contractual allowances. Discounts ranging from 2% to 6% of hospital charges are given to Medicare, Medicaid, and certain approved commercial health insurance and health maintenance organizations. In addition, these payors routinely review patient billings and deny payment for certain charges that they deem medically unnecessary or performed without appropriate preauthorization. Discounts and denials are recorded as reductions of net patient service revenue. These estimated amounts are subject to further adjustments upon review by third-party payors. Accounts receivable from Medicare, Medicaid, and Blue Cross represent 23%, 9%, and 14%, respectively, in fiscal 2012 and 28%, 10%, and 19%, respectively, in fiscal 2011. In Maryland, the Medicaid program is managed through private, independent managed care organizations.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy and methodology used to estimate the allowance for uncollectible accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the allowance for doubtful accounts and contractual allowance to establish an appropriate allowance for uncollectible receivables. After satisfaction of amounts due from insurance, the Corporation follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by management.

Inventory

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

Assets Whose Use is Limited

Assets whose use is limited include assets set aside for future long-term purposes, including capital improvements and amounts contributed by donors with stipulated restrictions. Direct investments in equity securities with readily determinable fair values and all direct investments and 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 the deficit of revenues over expenses unless the income or loss is restricted by donor or by law. Unrealized gains and losses on investments that have been designated as trading securities are included in the deficit of revenues over expenses.

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair market value at the date of receipt or determination. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 20-40 years for buildings; 5-20 years for building and leasehold improvements; and 3-20 years for 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. No capitalized interest was recorded in fiscal years 2012 and 2011.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

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 the 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.

Other Assets

Other assets consist of insurance recovery receivables related to the adoption of Accounting Standards Update (ASU) 2010-24, *Health Care Entities: Presentation of Insurance Claims and Recoveries*, and goodwill.

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 have been restricted by donors to be maintained in perpetuity.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. All unrestricted contributions are included in the deficit of revenues over expenses as donation revenue and have no external restrictions. All 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, temporarily restricted net assets are reclassified as donation revenue when restricted for operations or unrestricted net assets when restricted for land, buildings, and equipment.

Net Patient Service Revenues

Net patient service revenues are derived from services provided by the Corporation to patients who are directly responsible for payment or who are covered by various insurance or managed care programs. The Corporation receives payments from the federal government on behalf of patients covered under the Medicare program, state governments under their Medicaid programs

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

companies and other managed care programs. Patient service revenues are recorded net of all deductions from revenue. The deductions are for discounts provided to payors under contractual agreements. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined. The Corporation's charges are subject to review and approval by the Maryland Health Services Cost Review Commission (the Commission). The Corporation's management has filed the required forms with the Commission and believes the Corporation to be in compliance with Commission requirements.

During the years ended June 30, 2012 and 2011, net patient service revenue included net revenue for professional services of \$20,807 and \$19,456, respectively.

In July 2011, due to the large decreases in volumes and operating shortfalls experienced by the Corporation in 2010 and 2011, the Commission provided an accommodation representing a total of \$8,485 of additional revenues spread over two years consisting of (1) \$5,485 for the fiscal year beginning July 1, 2011 and (2) \$3,000 for the fiscal year beginning July 1, 2012.

The current rate of reimbursement for services to patients under the Medicare and Medicaid programs is based on an agreement between the Centers for Medicare and Medicaid Services and the Commission. This agreement is based upon a waiver from Medicare prospective payment system reimbursement principles granted to the State of Maryland under Section 1814(b) of the Social Security Act and will continue as long as all third-party payors elect to be reimbursed in Maryland under this agreement and the rate of increase for costs per hospital inpatient admission in Maryland is below the national average. Management expects this agreement will remain in effect at least through June 30, 2013.

Effective April 1, 1999, the Commission adopted, and the Corporation agreed to, a rate methodology for those hospital service centers that provide only inpatient services. Under this methodology, a target average charge per case is established for the Corporation based on past actual charges and case mix indices. The actual average charge per case is compared with the target average charge per case and to the extent that the actual average exceeds the target, the overcharge plus applicable penalties will reduce the approved target for future years. At June 30, 2012 and 2011, the Corporation was in compliance with its average charge per case target.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

The Commission's rate-setting methodology for the Corporation's service centers that provide both inpatient and outpatient services or only outpatient services consists of establishing an acceptable unit rate for defined inpatient and outpatient service centers within the Corporation. The actual average unit charge for each service center is compared to the approved rate monthly. Over- and undercharges due to either patient volume or price variances, plus penalties where applicable, are applied to decrease (in the case of overcharges) or increase (in the case of undercharges) future approved rates on an annual basis.

The timing of the Commission's rate adjustments for the Corporation could result in an increase or reduction in rates due to the variances and penalties described above in a year subsequent to the year in which such items occur. The Corporation's policy is to recognize revenue based on actual charges for services to patients in the year in which the services are performed.

Under the Commission's rate methodology for certain outpatient services, a target average charge per visit was established for the Corporation based on past actual charges and case mix indices. The actual average charge per visit is compared with the target average charge per visit and to the extent that the actual average exceeds or is less than the target, it will reduce or increase the approved rates for future years.

Beginning in fiscal year 2011, the Commission adjusted its Charge Per Case (CPC) policy and removed one-day stay (ODS) cases from the Corporation's case mix and charge per case revenue. ODS cases are now reimbursed on approved Commission charges rather than under the case mix adjusted CPC target.

Also beginning in fiscal year 2011, the Commission implemented the Charge Per Visit (CPV) methodology for certain outpatient services. Using fiscal year 2010 as the base period, the actual average 2011 CPV is compared with the base period target. Similar to the CPC target, the CPV target is adjusted annually for inflation, case mix changes and other factors. The outpatient services that are excluded from the CPV methodology are reimbursed on approved Commission charges.

Net patient service revenue under the Medicare and Medicaid programs in 2012 and 2011 was \$159,871 and \$169,904, respectively. The Corporation has reported any non-compliance issues related to Medicare and Medicaid programs identified through its internal monitoring processes and implemented corrective actions. The Corporation is not aware of any pending or threatened

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations is complex and can be subject to future government interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Charity Care

As an integral part of its mission, the Corporation accepts and treats all patients without regard to their ability to pay. A patient is classified as a charity patient in accordance with established criteria. Charity care represents services rendered for which no payment is expected and is not reported in the consolidated statements of operations and changes in net assets. Charity care, as determined on the basis of cost, was \$4,360 and \$4,058 in 2012 and 2011, respectively.

Other Non-Patient Revenues

Other non-patient revenues include gains and losses on the sale of assets, parking garage revenues, rental income, and revenues from other miscellaneous sources.

Restructuring, Impairment and Other Losses

During the years ended June 30, 2012 and 2011, the Corporation recorded nonrecurring expenses of \$4,788 and \$1,053, respectively relating to asset impairments and changes in business operations, including reorganization and severance costs.

Income Taxes

The Corporation and its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

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

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

Performance Indicator

The performance indicator is deficit of revenues over expenses, which includes all changes in unrestricted net assets except for net assets released from restrictions and transfers from (to) affiliates.

Contingencies

During the normal course of business, the Corporation may become involved in litigation. It is generally not possible to determine the eventual outcome of any presently unresolved litigation. As discussed in Note 12, the Corporation has recorded reserves when the liability is probable and estimable. After consultation with legal counsel, management believes that these matters will be resolved without material adverse impact to the consolidated financial position or results of operations of the Corporation.

Fair Value of Financial Instruments

Financial instruments consist of cash and equivalents, accounts receivable, investments and assets whose use is limited, accounts payable, and long-term debt. The carrying amounts reported in the consolidated balance sheets for cash and equivalents, accounts receivable, assets whose use is limited, and accounts payable approximate fair value. The investments in Advanced Imaging Partners, LLC, and SJMC-RA LLC, as described in Note 5, are not readily marketable, therefore, it is not practical to estimate their fair value. Long-term debt consists of notes payable to CHI for which a market value cannot be reasonably estimated as the Company's interest rate on such debt is dependent on the bond ratings and borrowing capacity of CHI.

Reclassifications

Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

The Corporation began applying the provisions of FASB ASC Topic 820, *Fair Value Measurements*, to non-financial assets and non-financial liabilities during the fiscal year ended June 30, 2011. The Corporation also adopted ASU 2010-06 for the fiscal year ended June 30, 2012, which clarifies that assets and liabilities must be leveled by major class of asset or liability, and provides guidance regarding the identification of such major classes. Additionally, disclosures are required about valuation techniques and the inputs to those techniques, for those assets or liabilities designated as Level 2 or Level 3 instruments. Disclosures regarding transfers between Level 1 and Level 2 assets and liabilities are required, as well as a deeper level of disaggregation of activity within existing rollforwards of the fair value of Level 3 assets and liabilities. The adoption of this guidance did not have a material impact on the Corporation for the year ended June 30, 2012.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities: Presentation of Insurance Claims and Recoveries*. ASU 2010-24 clarifies that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The guidance is effective for fiscal years beginning after December 15, 2010. Accordingly, the Corporation prospectively adopted ASU 2010-24 on July 1, 2011. The adoption of this standard resulted in the recording of \$49,600 within other assets and self-insured reserves and claims in connection with recoveries and claim liabilities related to the Corporation's coverage under a policy with First Initiatives Insurance, Ltd. (FIIL), a wholly-owned, captive insurance subsidiary of CHI. This standard had no effect on the consolidated statement of operations for the year ended June 30, 2012. The prior year balance sheet was not reclassified.

In August 2010, the FASB also issued ASU 2010-23, *Health Care Entities: Measuring Charity Care for Disclosure – a consensus of the FASB Emerging Issues Task Force*, which provides guidance regarding the calculation and disclosure of charity care. The guidance is intended to reduce the diversity in how charity care is calculated and disclosed across health care entities that provide it. Charity care is required to be measured at cost, defined as the direct and indirect costs of providing the charity care. Any reasonable technique may be used to estimate these costs, but the method must be disclosed in the footnotes to the financial statements. Funds received to subsidize charity services must be separately disclosed. ASU 2010-23 was effective for fiscal

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

1. Summary of Significant Accounting Policies (continued)

years beginning after December 15, 2010 and must be applied retrospectively to all periods presented. This new guidance was adopted by the Corporation on July 1, 2011. However, as the Company has historically used cost-based measures for the calculation and disclosure of its charity care, the adoption of this guidance did not impact the presentation of the Company's consolidated financial statements for the year ended June 30, 2012.

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities: Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation and disclosure of patient service revenue, provisions for bad debts, and the allowance for doubtful accounts for certain health care entities. This guidance changes the presentation of the statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, the guidance requires enhanced disclosures about the policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. This guidance is effective for the Corporation for the fiscal year ending June 30, 2013. The Corporation is currently evaluating the impact of this guidance on its consolidated financial statements.

2. Charity Care and (Unaudited) Other Community Benefits

In accordance with its mission and philosophy, the Corporation commits substantial resources to sponsor a broad range of services to both the poor as well as the broader community. Benefits for the poor include the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. These benefits include: traditional charity care; unpaid costs 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. The amounts reported reflect the costs of these services, net of contributions, government payments, and other revenues received as direct assistance. Charity care has been recorded and disclosed in accordance with ASU 2010-23.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

2. Charity Care and (Unaudited) Other Community Benefits (continued)

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 community benefit includes: the unpaid costs of Medicare and other programs for seniors; 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 costs of training health professionals such as medical residents, nursing students and students in allied health professions; and the unpaid costs of testing medical equipment and controlled studies of therapeutic protocols.

Costs incurred are estimated based on the cost to charge ratio for the Corporation and applied to charity charges. Since the Corporation does not pursue collections of amounts determined to meet the criterion under the charity care policy, such amounts are not reported as net patient service revenue. The amounts reported as charity care represent the cost of rendering such services. A summary of the charity care and (unaudited) community benefit provided to both the poor and the broader community is as follows:

	Year Ended June 30	
	2012	2011
Community benefit provided to the poor:		
Cost of charity care provided	\$ 4,360	\$ 4,058
Unpaid costs of Medicaid and other indigent care programs (unaudited)	982	679
Other benefits provided to the poor (unaudited)	395	28
	<u>\$ 5,737</u>	<u>4,765</u>
Community benefit provided to the broader community (unaudited):		
Non-billed services for the community	\$ 1,055	\$ 921
Education and research provided for the community	279	150
Other benefits provided to the community	24	28
	<u>1,358</u>	<u>1,099</u>
Total community benefit (unaudited)	<u>\$ 7,095</u>	<u>\$ 5,864</u>

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

3. Assets Whose Use is Limited

The following summarizes assets whose use is limited:

	June 30	
	2012	2011
Fair value:		
Cash and equivalents	\$ 6,044	\$ 5,608
Mutual funds	1,533	1,643
CHI investment program	20,385	23,480
Total	<u>\$ 27,962</u>	<u>\$ 30,731</u>
Cost	<u>\$ 26,223</u>	<u>\$ 28,250</u>

Substantially all long-term investment assets of the Corporation are held in the CHI investment program (the Program). The Program is structured under a limited partnership agreement between each participant and CHI, as the managing general partner. Assets held by the Program were invested 44% and 45% in marketable equity securities, 35% and 34% in marketable fixed income securities, and 21% and 21% in other investments as of June 30, 2012 and 2011, respectively. The Program is professionally managed under the administration of CHI, and the Corporation believes the carrying amount of the financial instruments in the Program is a reasonable estimate of the fair value.

Investments held in the Program are represented by pool units valued monthly under a custodian accounting system. Investment income from the Program, including interest income, dividends, and realized gains or losses from the sale of securities, is distributed to participants based on the earnings per pool unit. Gains or losses are realized by participants when pool units are sold, representing the difference between the cost basis and the market value of the assets in the Program. The fair value of the assets held is an allocation of the underlying market value of the assets in the Program, based upon pool units held by the participants. The underlying fair value of investments in the Program, which are primarily traded on national exchanges and in over-the-counter markets, is based on the latest reported sales price on the last business day of the fiscal year.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

3. Assets Whose Use is Limited (continued)

Investment income is comprised of the following:

	Year Ended June 30	
	2012	2011
Dividend and interest income	\$ 438	\$ 586
Net realized gains	328	1,067
Net unrealized (losses) gains	(892)	2,186
Investment (loss) income, net	\$ (126)	\$ 3,839

4. Property and Equipment

The following summarizes property and equipment:

	June 30	
	2012	2011
Land and improvements	\$ 4,422	\$ 4,401
Buildings and improvements	189,765	187,924
Equipment	225,724	219,738
Construction in progress	1,915	7,028
	421,826	419,091
Less: accumulated depreciation	(266,560)	(252,264)
Property and equipment, net	\$ 155,266	\$ 166,827

The Corporation periodically evaluates property and equipment to determine whether assets may have been impaired in accordance with ASC Topic 360, *Property, Plant, and Equipment*. Management has determined that there were no impairment issues related to property and equipment at June 30, 2012 and 2011.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

4. Property and Equipment (continued)

During fiscal year 2006, the Corporation agreed to lease a portion of land on its main campus to an outside investor for a 50-year period, with an additional 20-year renewal option. The ground lease agreement stipulates that the outside investor will construct an office building on the land. Annual ground lease payments of \$91, which commenced upon the completion of building construction, represent fair market value as determined by an independent appraisal. The Corporation leases approximately half of the available space in the building for a 10-year period, with two additional 5-year renewal options. The Corporation has certain rights under the ground lease agreement that effectively limit the outside investor's ability to lease space to tenants unaffiliated with the Corporation. The Corporation also has the right to match any purchase offer received for the building from an outside third party during the ground lease period. Substantially all of the building's construction costs were funded and paid by the outside investor.

Under the provisions of ASC Topic 840, *Leases*, the Corporation was required to capitalize the cumulative building cost during the construction period. Upon completion of the project, the Corporation continued to capitalize the cumulative building cost. Under the provisions of ASC Topic 840, a continuing interest as the Corporation has, such as a buyout option or non-recourse financing, would preclude sales-leaseback accounting and require the building to continue to be capitalized on the books of the lessee. The revenues and expenses of the building are included in the accompanying consolidated statements of operations and changes in net assets. The net book value of the building was \$12,680 and \$13,041 as of June 30, 2012 and 2011, respectively.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

5. Investments in Unconsolidated Organizations

The summarized carrying value and results of operations for the investments in unconsolidated organizations accounted for under the equity method as of for the years ended June 30 are as follows:

	Ownership Interest		Carrying Value		Income from Equity of Unconsolidated Organizations	
	2012	2011	2012	2011	2012	2011
Ruxton Surgicenter, LLC	–%	51%	\$ –	\$ 680	\$ –	\$ –
Advanced Imaging Partners LLC	51	51	3,069	3,638	1,280	1,281
SJMC-RA, LLC	49	49	4,155	4,192	2,510	2,911
Total investments in unconsolidated organizations			\$ 7,224	\$ 8,510	\$ 3,790	\$ 4,192

During fiscal year 2007, the Corporation entered into an investment in a joint venture with Ruxton Surgicenter, LLC to provide specialized surgical procedures to the community. The Corporation contributed \$3,800 in capital in exchange for a 51% financial ownership interest and 40% voting interest in the venture. Under the provisions of ASC Topic 323, *Investments – Equity Method and Joint Ventures*, the Corporation’s 40% voting interest and the lack of unilateral control over the operations of the joint venture required the Corporation to record the investment under the equity method.

During fiscal year 2012, the Corporation sold its interest in Ruxton Surgicenter, LLC to a third party for a price of \$680. The Corporation received \$544 in cash at closing and \$136 was placed in escrow pending any unresolved contingencies between the parties. No gain or loss was recognized on the transaction in fiscal year 2012. In fiscal year 2011, the Corporation performed an impairment analysis on the investment and recognized an impairment charge of \$826 during the year ended June 30, 2011.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

6. Long-Term Debt

The following summarizes long-term debt:

	June 30	
	2012	2011
Notes payable to CHI due December 1, 2035, average interest rate of 4.75%	\$ 106,048	\$ 111,310
Less current portion	(4,168)	(5,261)
Total long-term debt	<u>\$ 101,880</u>	<u>\$ 106,049</u>

The Corporation 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 include a minimum CHI debt coverage ratio and certain limitations on secured debt. The Corporation, 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. Debt under the COD is evidenced by promissory notes between the Corporation and CHI, which include monthly installments at a variable rate of interest and may be repaid in advance without penalty.

Scheduled principal repayments on long-term debt are as follows for the years ended June 30:

2013	\$ 4,168
2014	4,032
2015	3,889
2016	4,083
2017	4,287
2018 and thereafter	85,589
	<u>\$ 106,048</u>

During fiscal year 2011, the Corporation borrowed \$22,000 from CHI under the COD. These borrowings are included in long-term debt on the accompanying consolidated balance sheets. As discussed further in Note 12, the \$22,000 borrowing was used to settle an outstanding claim.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

7. Functional Expenses

The Corporation provides health services to individuals within the Baltimore Metropolitan area including inpatient, outpatient and ambulatory, and community-based services. Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services and other functions that are supported centrally for the Corporation. The following summarizes the expenses related to providing these services before restructuring, impairment, and other losses:

	Year Ended June 30	
	2012	2011
Health services expenses	\$ 286,027	\$ 293,483
Support services	65,125	66,318
Total operating expenses	<u>\$ 351,152</u>	<u>\$ 359,801</u>

8. Retirement Plans

The Corporation participates in the Catholic Health Initiatives Retirement Plan (the Plan), which is a multi-employer, noncontributory, cash balance retirement plan covering substantially all employees. The Plan has received an Internal Revenue Service private letter ruling stating it is qualified as a church plan exempt from certain provisions of both the Employee Retirement Income Security Act of 1974 and the Pension Benefit Guaranty Corporation premiums and coverage.

Under a cash balance plan, annual additions to employee accounts are based on a percentage of salary that varies depending on length of service. Vesting occurs over a five-year period. During 2012 and 2011, the Corporation recognized pension expense under the Plan of \$6,739 and \$6,697, respectively, based upon an actuarially determined percentage of eligible wages.

As a multi-employer plan, the Plan does not make separate measurements of assets and pension benefit obligations for individual employers.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

9. Insurance Programs

FIIIL underwrites the property and casualty risks of CHI and its subsidiaries, including the Corporation. Professional, employment practices, and general liability coverage of \$8,000 per claim is provided by FIIIL either on a directly written basis or through reinsurance relationships with commercial carriers. In addition, CHI purchases excess insurance of \$200 per claim and in the aggregate for professional and general liability risks from commercial carriers.

FIIIL provides workers' compensation coverage, either on a directly written basis or through reinsurance fronting relationships with commercial carriers for amounts above \$1,000 per claim. Coverage of \$500 in excess of \$500 per claim is reinsured with an unrelated commercial carrier. FIIIL also underwrites the property and casualty risks of CHI and its subsidiaries, including the Corporation for up to \$1,000 per claim. Unrelated commercial insurance carriers reinsure losses in excess of the per-claim limits.

Unrelated commercial insurance carriers reinsure losses in excess of the per claim limit. Additionally the Corporation purchases professional liability insurance for its employed physicians from an affiliate of CHI. Amounts paid by the Corporation for coverage under these programs were \$7,013 and \$6,890 for the years ended June 30, 2012 and 2011, respectively.

10. Fair Value of Assets and Liabilities

In accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*, assets and liabilities recorded at fair value in the consolidated financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair values are observable or unobservable. More specifically, ASC Topic 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure assets and liabilities at fair value. Level inputs, as defined by ASC Topic 820, are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access on the reporting date.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs that are unobservable for the asset or liability.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

10. Fair Value of Assets and Liabilities (continued)

The following table summarizes fair value measurements, by level, at June 30, 2012, for all financial assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash and equivalents	\$ 6,044	\$ –	\$ –	\$ 6,044
Mutual funds	1,533	–	–	1,533
Total assets at fair value	<u>\$ 7,577</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 7,577</u>

The following table summarizes fair value measurements, by level, at June 30, 2011, for all financial assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash and equivalents	\$ 5,608	\$ –	\$ –	\$ 5,608
Mutual funds	1,643	–	–	1,643
Total assets at fair value	<u>\$ 7,251</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 7,251</u>

The following table summarizes fair value measurements, by level, at June 30, 2012, for all financial assets measured at fair value on a non-recurring basis:

	Level 1	Level 2	Level 3	Total
Pledges receivable	\$ –	\$ –	\$ 99	\$ 99
Total assets at fair value	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 99</u>	<u>\$ 99</u>

The following table summarizes fair value measurements, by level, at June 30, 2011, for all financial assets measured at fair value on a non-recurring basis:

	Level 1	Level 2	Level 3	Total
Pledges receivable	\$ –	\$ –	\$ 437	\$ 437
Investment in joint ventures	–	–	680	680
Total assets at fair value	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 1,117</u>	<u>\$ 1,117</u>

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

10. Fair Value of Assets and Liabilities (continued)

Assets utilizing Level 3 inputs are pledges receivable. Pledges receivable are recorded net of allowance for uncollectible pledges and discounted to net present value. The present value of estimated future cash flows using a discount rate commensurate with the risks involved is an appropriate measure of fair value for unconditional promises to give cash and is considered Level 3. Also included in Level 3 was the investment in the joint venture with Ruxton Surgicenter, Inc. which was divested as of June 30, 2012. This investment was recorded at fair value at June 30, 2011 as discussed in Note 5. The assumptions used to develop the estimate at fair value include estimated future cash flows from the joint venture and are not observable.

As discussed in Note 5, the Corporation recognized an impairment charge on one of its joint ventures as of June 30, 2011. Therefore, the impaired investment was classified as a transfer into Level 3 at the actual date of the impairment.

11. Related-Party Transactions

The Corporation recognized expenses of \$22,355 and \$20,626 in 2012 and 2011, respectively, related to allocations from the CHI National Office. CHI arranges for comprehensive healthcare services for the Corporation's 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 Corporation may withdraw from the plan without additional costs incurred. Employee benefits expense on the consolidated statements of operations and changes in net assets includes \$8,651 and \$9,245 for the years ended June 30, 2012 and 2011, respectively, for premiums paid to CHI for the self-insured medical plan.

12. Commitments and Contingencies

Agreement in Principle with the Office of Inspector General

In June 2008 and July 2009, the Corporation received subpoenas from the Office of Inspector General of the U.S. Department of Health and Human Services (OIG), requiring the production of certain documents relating to issues including, but not limited to, the Corporation's relationship with a physician group and investigations of violations of federal statutes dealing with physician conflicts of interest. These subpoenas were issued in connection with a civil investigation being conducted by the U.S. Attorney's Office for the District of Maryland.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

12. Commitments and Contingencies (continued)

The Corporation is cooperating with this investigation. In July 2009, the Corporation reached an “Agreement in Principle” with the U.S. Attorney’s Office to resolve all potential civil claims arising out of the Corporation’s relationship with the physician group. The Corporation reached this agreement without admitting liability in order to avoid the expense and uncertainty of litigation and to allow the Corporation to move forward. In this regard and consistent with the Agreement in Principle, an amount of \$22,000 was recorded as an other expense in the 2009 consolidated statement of operations and changes in net assets, and as an accrued expense in the consolidated balance sheet at June 30, 2009. The U.S. Department of Justice, the OIG, the Office of Personnel Management (OPM), and the State of Maryland approved the settlement in November 2010 for \$22,000 which was subsequently paid by the Corporation in November 2010. As discussed in Note 6, the Corporation obtained a \$22,000 loan from CHI to fund this settlement. The settlement also includes a five-year Corporate Integrity Agreement that requires the Corporation to establish and/or enhance various compliance processes and also have several independent peer review reports completed on an annual basis.

In addition, the Corporation is working with the Internal Revenue Service to resolve potential excess benefit and other tax issues implicated by the approved settlement. Management does not believe the status of the Corporation as an organization described in Section 501(c) (3) of the Internal Revenue Code is at risk.

On February 17, 2010, the Corporation received a letter from the U.S. Senate Committee on Finance requesting information, from January 2007 to the present, regarding alleged unnecessary cardiac procedures; billing to federal health programs; financial relationships between the Corporation and a physician; information about coronary stents implanted in patients and amount billed to federal health care programs; and purchasing agreements with the manufacturers of the stents.

While no assurance can be given that the outcome of any current investigation and inquiries by governmental and non-governmental payers will be favorable, management believes that adequate reserves have been established and that the outcome of any current investigations will not have a material effect on the consolidated financial position or results of operations of the Corporation.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

12. Commitments and Contingencies (continued)

In June 2010, the Corporation disclosed to the OIG and the U.S. Attorney's Office for the District of Maryland, that it believes certain inpatient admissions of two days or less for the period from October 2007 through October 2009 may have been reimbursed improperly from Medicare, Medicaid, and other Federal programs. After self-reporting that the Corporation may have been over-reimbursed for certain admissions, the Corporation began an extensive internal review so that it would be able to quantify the potential magnitude of the excess reimbursement received. At this time, the Corporation's internal review is complete and the details have been forwarded to the OIG and U.S. Attorney's Office.

The Corporation expects that its internal review and the subsequent review by the OIG will result in a payment to return the excess reimbursement to the affected government programs plus any applicable penalties and interest. As of June 30, 2012 and 2011, the Corporation has recorded approximately \$4,300 and \$4,000, respectively, which represents the Corporation's best estimates of the ultimate outcome. However, the Corporation believes that the ultimate settlement of this matter may be materially different than the amount recorded at this time. Based upon the settlement discussions that will occur with the OIG and the U.S. Attorney's Office, the Corporation cannot predict the timing of this settlement. Once additional information becomes available related to this estimate, the Corporation will record changes in this accrual in future periods and will update the status of this matter accordingly.

The Corporation has received a representation from CHI that it will receive reimbursements as needed in the event that a cash payment is required to the OIG.

Other

During the normal course of business, the Corporation may become involved in litigation. A class action lawsuit against the Corporation has been filed in the Baltimore County Circuit Court alleging that the Corporation wrongfully induced claimed class members to consent to unnecessary clinical care. The suit does not name any physician as an individual defendant at this time. This litigation is in the early stages and legal counsel believes it is unlikely that this case will be certified as a class action lawsuit. Other lawsuits have been filed on behalf of individual plaintiffs against the Corporation and an attending cardiologist with similar allegations.

St. Joseph Medical Center, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar amounts in thousands)

12. Commitments and Contingencies (continued)

Management understands other litigation may be filed related to similar issues of unnecessary clinical care. The lawsuits are being defended by CHI under the policy of insurance issued by the wholly owned captive insurance subsidiary of CHI on a first-dollar occurrence basis, and therefore, no separate amounts are accrued for these cases in the accompanying consolidated financial statements (see Note 9). The lawsuits allege negligence by the Corporation and those claims are covered by the policies of insurance. Other claims allege intentional wrongdoing and the captive insurer and the commercial excess insurer have issued reservation of rights letters to the Corporation deferring a determination of indemnity coverage should there eventually be jury awards based upon those allegations of intentional wrongful acts. It is generally not possible to determine the eventual outcome of any presently unresolved litigation. However, management believes that these allegations of intentional wrongdoing against the Corporation are without merit and the litigation will be resolved without material adverse impact to the consolidated financial position or results of operations of the Corporation.

13. Sale of Assets to University of Maryland Medical System

In March 2012, the Boards of Directors of the Corporation and CHI approved the sale of all or substantially all of the assets of the Corporation, its subsidiaries and investments. The Corporation expects to execute an asset purchase agreement with UMMS by October 2012 to sell substantially all of the assets of the Corporation to UMMS. The transaction is expected to close on November 1, 2012, subject to regulatory and Roman Catholic Church approvals.

14. Subsequent Events

The Corporation has evaluated subsequent events that have occurred for recognition or disclosure through September 20, 2012, the date of the financial statements issuance.

Supplementary Information

Report of Independent Auditors on Supplementary Information

The Board of Directors
St. Joseph Medical Center, Inc. and Subsidiaries

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary consolidating information is presented for purposes of additional analysis 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst + Young LLP

September 20, 2012

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidating Balance Sheet

(In Thousands)

June 30, 2012

	St. Joseph Medical Center, Inc.	St. Joseph Medical Center Foundation, Inc.	St. Joseph Physician Enterprise	Eliminations	Consolidated
Assets					
Current assets:					
Cash and equivalents	\$ 2	\$ 6,737	\$ 160	\$ –	\$ 6,899
Patient accounts receivable, net	39,026	–	2,070	–	41,096
Other receivables	6,700	107	–	(3,059)	3,748
Prepaid assets and inventories	5,692	1	724	–	6,417
Total current assets	51,420	6,845	2,954	(3,059)	58,160
Assets whose use is limited:					
Internally designated for future capital purposes	20,385	–	–	–	20,385
Restricted by donor	–	7,577	–	–	7,577
	20,385	7,577	–	–	27,962
Property and equipment, net	154,165	–	1,101	–	155,266
Investment in unconsolidated organizations	7,224	–	–	–	7,224
Other assets	51,422	–	–	–	51,422
Total assets	\$ 284,616	\$ 14,422	\$ 4,055	\$ (3,059)	\$ 300,034

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

June 30, 2012

	St. Joseph Medical Center, Inc.	St. Joseph Medical Center Foundation, Inc.	St. Joseph Physician Enterprise	Eliminations	Consolidated
Liabilities and net assets					
Current liabilities:					
Accounts payable and accrued expenses	\$ 36,809	\$ 1,467	\$ 2,838	\$ (3,059)	\$ 38,055
Compensation and benefits	10,116	–	1,442	–	11,558
Advances from third-party payors	13,769	–	–	–	13,769
Current portion of long-term debt	4,168	–	–	–	4,168
Total current liabilities	64,862	1,467	4,280	(3,059)	67,550
Long-term liabilities	11,873	72	–	–	11,945
Self-insured reserves and claims	49,553	–	–	–	49,553
Long-term debt	101,880	–	–	–	101,880
Total liabilities	228,168	1,539	4,280	(3,059)	230,928
Net assets:					
Unrestricted	56,152	5,500	(225)	–	61,427
Temporarily restricted	296	4,486	–	–	4,782
Permanently restricted	–	2,897	–	–	2,897
Total net assets	56,448	12,883	(225)	–	69,106
Total liabilities and net assets	\$ 284,616	\$ 14,422	\$ 4,055	\$ (3,059)	\$ 300,034

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets
(In Thousands)

Year Ended June 30, 2012

	St. Joseph Medical Center, Inc.	St. Joseph Medical Center Foundation, Inc.	St. Joseph Physician Enterprise	Eliminations	Consolidated
Revenues					
Net patient services	\$ 300,640	\$ –	\$ 20,807	\$ –	\$ 321,447
Non-patient:					
Donations	99	382	–	–	481
Changes in equity of unconsolidated organizations	3,790	–	–	–	3,790
Other	5,874	–	5,091	(5,023)	5,942
Total non-patient revenues	<u>9,763</u>	<u>382</u>	<u>5,091</u>	<u>(5,023)</u>	<u>10,213</u>
Total operating revenues	310,403	382	25,898	(5,023)	331,660
Expenses					
Salaries and wages	103,101	494	22,888	–	126,483
Employee benefits	22,297	36	3,601	–	25,934
Medical professional fees	25,984	–	375	(4,913)	21,446
Purchased services	36,823	253	3,709	–	40,785
Consulting and legal	4,937	101	1,129	–	6,167
Supplies	67,586	99	728	–	68,413
Bad debts	10,014	–	1,218	–	11,232
Utilities	4,029	–	159	–	4,188
Insurance	4,328	–	1,617	–	5,945
Rental, leases and maintenance	4,939	11	1,139	(110)	5,979
Depreciation	17,973	–	223	–	18,196

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended June 30, 2012

	St. Joseph Medical Center, Inc.	St. Joseph Medical Center Foundation, Inc.	St. Joseph Physician Enterprise	Eliminations	Consolidated
Expenses (continued)					
Interest	\$ 6,241	\$ –	\$ –	\$ –	\$ 6,241
Other	9,647	98	398	–	10,143
Total expenses	<u>317,899</u>	<u>1,092</u>	<u>37,184</u>	<u>(5,023)</u>	<u>351,152</u>
Loss from operations before restructuring, impairment and other losses	(7,496)	(710)	(11,286)	–	(19,492)
Restructuring, impairment and other losses	4,104	–	684	–	4,788
Loss from operations	<u>(11,600)</u>	<u>(710)</u>	<u>(11,970)</u>	<u>–</u>	<u>(24,280)</u>
Investment income, net	(253)	96	31	–	(126)
Deficit of revenues over expenses	<u>\$ (11,853)</u>	<u>\$ (614)</u>	<u>\$ (11,939)</u>	<u>\$ –</u>	<u>\$ (24,406)</u>
Unrestricted net assets:					
Deficit of revenues over expenses	\$ (11,853)	\$ (614)	\$ (11,939)	\$ –	\$ (24,406)
Net assets released from restrictions	241	–	–	–	241
Transfers to/from affiliates	(9,771)	(1,305)	11,969	–	893
(Decrease) increase in unrestricted net assets	<u>(21,383)</u>	<u>(1,919)</u>	<u>30</u>	<u>–</u>	<u>(23,272)</u>
Temporarily restricted net assets:					
Contributions	(110)	563	–	–	453
Net assets released from restrictions	(2)	(385)	–	–	(387)
(Decrease) increase in temporarily restricted net assets	<u>(112)</u>	<u>178</u>	<u>–</u>	<u>–</u>	<u>66</u>

St. Joseph Medical Center, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended June 30, 2012

	St. Joseph Medical Center, Inc.	St. Joseph Medical Center Foundation, Inc.	St. Joseph Physician Enterprise	Eliminations	Consolidated
Permanently restricted net assets:					
Contributions	\$ –	\$ (76)	\$ –	\$ –	\$ (76)
Decrease in permanently restricted net assets	–	(76)	–	–	(76)
(Decrease) increase in net assets	(21,495)	(1,817)	30	–	(23,282)
Net assets at beginning of year	77,943	14,700	(255)	–	92,388
Net assets at end of year	<u>\$ 56,448</u>	<u>\$ 12,883</u>	<u>\$ (225)</u>	<u>\$ –</u>	<u>\$ 69,106</u>

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