

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **COMMUNITY HOSPITAL OF BREMEN, INC.** Employer identification number **35-0835006**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
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 type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free 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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
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?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

	(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
7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			1,112,610.		1,112,610.	7.01%
b Medicaid (from Worksheet 3, column a)			1,131,834.	608,424.	523,410.	3.30%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			2,244,444.	608,424.	1,636,020.	10.31%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		5,945	56,205.	10,508.	45,697.	.29%
f Health professions education (from Worksheet 5)		65	23,272.	349.	22,923.	.14%
g Subsidized health services (from Worksheet 6)			1,713,788.	452,036.	1,261,752.	7.94%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		607	1,097.		1,097.	.01%
j Total. Other Benefits		6,617	1,794,362.	462,893.	1,331,469.	8.38%
k Total. Add lines 7d and 7j		6,617	4,038,806.	1,071,317.	2,967,489.	18.69%

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

Name, address, and primary website address

1 COMMUNITY HOSPITAL OF BREMEN, INC.
1020 HIGH ROAD
BREMEN, IN 46506

Table with columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X, , , , X, , X, , ,

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group COMMUNITY HOSPITAL OF BREMEN, INC.

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1 X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> 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 CHNA: 20 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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	3 X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	X
5 Did the hospital facility make its CHNA report widely available to the public?	5 X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website		
b <input checked="" 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 CHNA, indicate how (check all that apply to date):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide 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 CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 X	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	X
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued) COMMUNITY HOSPITAL OF BREMEN, INC.

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: <u>100</u> %			
If "No," explain in Part VI the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing discounted care?	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>200</u> %			
If "No," explain in Part VI the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	X	
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 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)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input 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 checked="" 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 type="checkbox"/> Other (describe in Part VI)		

Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine 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)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?		X
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)		

Part V Facility Information (continued) **COMMUNITY HOSPITAL OF BREMEN, INC.**

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

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

Policy Relating to Emergency Medical Care

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

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <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)		
21 During the tax year, did the hospital facility charge any of its FAP-eligible individuals, 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.		X
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI.		X

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

PART I, LINE 6A: THE ORGANIZATION'S ANNUAL COMMUNITY BENEFIT REPORT

IS AVAILABLE UPON REQUEST.

PART I, LN 7 COL(F): EFFECTIVE MAY 1, 2012, THE HOSPITAL ADOPTED ASU 2011-07, HEALTHCARE ENTITIES (TOPIC 954), "PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTHCARE ENTITIES," WHICH REQUIRES CERTAIN HEALTHCARE ENTITIES TO PRESENT THE PROVISION FOR BAD DEBTS RELATING TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM PATIENT SERVICE REVENUE IN THE CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS RATHER THAN AS AN OPERATING EXPENSE. THE HOSPITAL'S ADOPTION OF THIS STANDARD HAD NO NET IMPACT ON ITS CONSOLIDATED FINANCIAL POSITION, RESULTS OF OPERATIONS, OR CASH FLOWS.

PART II: THE COMMUNITY HOSPITAL OF BREMEN OPERATES A 9,000 SQUARE FOOT MEDICAL OFFICE BUILDING. THE VAST MAJORITY OF THIS BUILDING IS DONATED TO COMMUNITY SERVICE AGENCIES. A SMALL PORTION OF THE BUILDING IS USED BY THE HOSPITAL FOR SUPPLY AND RECORD STORAGE. THE HOSPITAL DONATES

Part VI Supplemental Information

AN OFFICE TO THE MARSHALL COUNTY OLDER ADULT SERVICES PROGRAM. THIS AGENCY PROVIDES MEDICATION ASSISTANCE, MEDICARE PART D AND MEDICARE ENROLLMENT ASSISTANCE, GRATIS TAX RETURN PREPARATION, MEDICAID ENROLLMENT, AND HEALTHY INDIANA PLAN ENROLLMENT. THE MARSHALL COUNTY HEALTH DEPARTMENT USES CLINIC SPACE MONTHLY TO ADMINISTER FREE CHILDHOOD IMMUNIZATIONS TO OUR AT RISK POPULATIONS. WOMEN'S CARE CENTER PROVIDES A FULL RANGE OF PREGNANCY TESTING, PRENATAL SERVICES, CRIB CLUB, AND SINGLE PARENTING PROGRAMS IN BOTH ENGLISH AND SPANISH. AIM STRAIGHT MARRIAGE AND FAMILY PROGRAM ALSO HAS FULL TIME USE OF A SUITE IN THE CLINIC TO PROVIDE PREMARITAL COUNSELING, MARITAL COUNSELING, AND DIVORCE COUNSELING AND MEDIATION SERVICES. THE HOSPITAL PROVIDES A WIDE RANGE OF SUPPORT TO COMMUNITY SERVICE ORGANIZATIONS USING HOSPITAL SPACE INCLUDING ALL UTILITIES, MAINTENANCE, HOUSEKEEPING SERVICES ETC.

NEW MEDICAL STAFF MEMBERS HAVE BEEN RECRUITED TO REPLACE RETIRING PRIMARY CARE PHYSICIANS AND TO PLACE PRIMARY CARE PHYSICIANS IN UNDERSERVED SITES IN OUR CATCHMENT AREA TO IMPROVE PATIENT ACCESS TO CARE. THE HOSPITAL HAS ACHIEVED PHYSICIAN RECRUITMENT NEEDS THROUGH THE PROVISION OF A 24 MONTH INCOME GUARANTEE TO HELP GET NEW PRACTITIONERS ESTABLISHED. ONE FAMILY PRACTICE PHYSICIAN RECEIVED INCOME SUPPORT FOR A PART OF THE YEAR SINCE SHE WAS AT THE END OF HER INCOME GUARANTEE TERM.

PART III, LINE 4: BAD DEBT EXPENSE FOOTNOTE:

EFFECTIVE MAY 1, 2012, THE HOSPITAL ADOPTED ASU 2011-07, HEALTHCARE ENTITIES (TOPIC 954), "PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTHCARE ENTITIES," WHICH REQUIRES CERTAIN HEALTHCARE ENTITIES TO PRESENT THE PROVISION FOR BAD DEBTS RELATING TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM PATIENT SERVICE REVENUE IN THE

Part VI Supplemental Information

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS RATHER THAN AS AN OPERATING EXPENSE. THE HOSPITAL'S ADOPTION OF THIS STANDARD HAD NO NET IMPACT ON ITS CONSOLIDATED FINANCIAL POSITION, RESULTS OF OPERATIONS, OR CASH FLOWS.

ASU 2011-07 ALSO REQUIRES HEALTHCARE ENTITIES TO PROVIDE ENHANCED DISCLOSURE ABOUT THEIR POLICIES FOR RECOGNIZING REVENUE AND ASSESSING BAD DEBTS, AS WELL AS QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT CHANGES IN THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS. SEE THE "PATIENT ACCOUNTS RECEIVABLE", "ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS" AND "PATIENT SERVICE REVENUE" SECTIONS OF THIS NOTE. REPRINTED BELOW IS THE PORTION OF THE NOTES RELATING TO BAD DEBT EXPENSE INCLUDED IN "ALLOWANCE FOR DOUBTFUL ACCOUNTS" AUDITED FINANCIAL STATEMENT FOOTNOTE.

PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED ON THE HOSPITAL'S EVALUATION OF ITS MAJOR PAYOR SOURCES OF REVENUE, THE AGING OF THE ACCOUNTS, HISTORICAL LOSSES, CURRENT ECONOMIC CONDITIONS, AND OTHER FACTORS UNIQUE TO ITS SERVICE AREA AND THE HEALTHCARE INDUSTRY. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PAYMENTS, WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON

Part VI Supplemental Information

THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS.

DURING 2013, THE HOSPITAL'S ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS CHANGED APPROXIMATELY \$235,000 FROM \$495,000 TO \$730,000. THE UNCOLLECTIBLE ALLOWANCE FOR SELF-PAY BALANCES INCREASED APPROXIMATELY \$172,000 AS THE UNCOLLECTIBLE ESTIMATE INCREASED TO 57% OF SELF PAY BALANCES FROM 43% AS OF APRIL 30, 2012. THE UNCOLLECTIBLE ALLOWANCE FOR THIRD PARTY PAYOR ACCOUNTS INCREASED APPROXIMATELY \$63,000 AS THE UNCOLLECTIBLE ESTIMATE WAS 8% OF THIRD PARTY PAYOR BALANCES AS OF APRIL 30, 2013 COMPARED TO 11% AS OF APRIL 30, 2012. IN ADDITION, THE HOSPITAL'S SELF-PAY RELATED WRITE-OFFS INCREASED APPROXIMATELY \$161,000 TO \$340,000 IN 2013 FROM \$179,000 IN 2012. THE INCREASES WERE THE RESULT OF NEGATIVE TRENDS EXPERIENCED IN THE COLLECTION OF AMOUNTS FROM SELF-PAY PATIENTS IN 2013. THE HOSPITAL DID NOT CHANGE ITS CHARITY CARE OR UNINSURED DISCOUNT POLICIES DURING 2013 OR 2012.

AS OF APRIL 30, 2013, THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS OF APPROXIMATELY \$730,000 WAS COMPRISED OF \$335,000 RESERVED FOR SELF-PAY BALANCES AND \$395,000 RESERVED FOR THIRD-PARTY PAYOR BALANCES. AS OF APRIL 30, 2012, THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS OF APPROXIMATELY \$495,000 WAS COMPRISED OF \$163,000 RESERVED FOR SELF-PAY BALANCES AND \$332,000 RESERVED FOR THIRD-PARTY PAYOR BALANCES.

Part VI Supplemental Information

PART III, LINE 8: NO SHORTFALL. AMOUNTS DERIVED FROM FILED 2013 COST REPORT.

PART III, LINE 9B: THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. THE HOSPITALS POLICY INCLUDES PROVISIONS TO EXCLUDE ANY ACCOUNT BALANCES KNOWN TO HAVE PAYMENT ARRANGEMENTS OR QUALIFIED CHARITY CARE OR FINANCIAL ASSISTANCE FROM DEBT COLLECTION EFFORTS.

COMMUNITY HOSPITAL OF BREMEN, INC.:

PART V, SECTION B, LINE 3: IN CONDUCTING ITS MOST RECENT CHNA THE HOSPITAL TOOK INTO ACCOUNT INPUT FROM PERSONS WHO REPRESENTED THE COMMUNITY IT SERVED INCLUDING THOSE WITH SPECIAL KNOWLEDGE. A STEERING COMMITTEE COMPRISED OF LOCAL BUSINESS OWNERS, LOCAL OFFICIALS, HEALTHCARE PROVIDERS, MINORITY LEADERS, CLERGY, STUDENT REPRESENTATIVES, ACTIVE MEDICAL STAFF, HEALTH DEPARTMENT OFFICIALS, AND OTHER INTERESTED PARTIES DISCUSSED THE HEALTH-RELATED NEEDS OF THE COMMUNITY. A 33-QUESTION SURVEY WAS CREATED BASED ON THE INFORMATION COLLECTED DURING THE DISCUSSION. THE SURVEY WAS WIDELY DISSEMINATED TO THE RESIDENTS IN CHB'S SERVICES AREA THROUGH INCLUSION ON THE HOSPITAL'S WEBSITE, FACE-TO-FACE POLLING AT THREE POPULAR GROCERY STORES IN AND NEAR BREMEN, AND A PUBLICALLY AVAILABLE SURVEY, WHICH WAS POSTED ON ZOOMERANG.COM (NOW SURVEY MONKEY) AND DISTRIBUTED IN HARD COPY TO THE LOCAL AMISH POPULATION.

COMMUNITY HOSPITAL OF BREMEN, INC.:

PART V, SECTION B, LINE 20D: CHARGES ARE APPLIED TO EACH PATIENTS ACCOUNTS

Part VI Supplemental Information

BASED ON STANDARD RATES, AND A DISCOUNT IS APPLIED AFTER ELIGIBILITY IS DETERMINED.

PART VI, LINE 2: COMMUNITY HOSPITAL OF BREMEN (CHB) CONTRACTED WITH THE INDIANA RURAL HEALTH ASSOCIATION (IRHA) TO CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) COMPLETED IN 2012. THE FINDINGS OF THE HEALTH NEEDS ASSESSMENT WERE SHARED WITH THE STEERING COMMITTEE, AND AN IMPLEMENTATION PLAN WAS DEVELOPED TO ADDRESS THE TOP 5 HEALTH CARE NEEDS OF THE COMMUNITY IDENTIFIED.

PART VI, LINE 3: WHEN THE PATIENT IS PHYSICALLY ADMITTED TO OUR FACILITY, REGISTRATION PERSONNEL WILL OBTAIN BILLING INFORMATION. IF A PATIENT IS DETERMINED TO HAVE NO THIRD PARTY PAYER, THEY WILL BE DESIGNATED AS SELF PAY AND REFERRED TO A SELF PAY BILLING REPRESENTATIVE. THE SELF PAY BILLING REPRESENTATIVE WILL ESTABLISH CONTACT WITH THE PATIENT AND/OR PATIENT REPRESENTATIVE PRIOR TO DISCHARGE IF POSSIBLE, TO VERIFY THAT THERE WOULD BE NO CURRENT THIRD PARTY SOURCES RESPONSIBLE FOR PAYMENT, THAT THE PATIENT HAS NO OTHER VIABLE OUTSIDE SOURCES FOR PAYMENT OR THAT THE PATIENT DOES NOT HAVE ADEQUATE FINANCIAL RESOURCES TO PAY FOR HIS/HER CARE NOW OR OVER TIME. THE SELF PAY BILLING REPRESENTATIVE WILL BE RESPONSIBLE FOR INSURING THAT THE PATIENT OR PATIENT REPRESENTATIVE RECEIVES A HOSPITAL FINANCIAL ASSISTANCE APPLICATION. IN ADDITION, THEY WILL NOTIFY THE PATIENT THAT THEY NEED TO MEET WITH A FINANCIAL ASSISTANCE ADVOCATE AND WILL ASSIST THE PATIENT OR PATIENT REPRESENTATIVE WITH SCHEDULING AN APPOINTMENT. AT THE MEETING WITH THE FINANCIAL ASSISTANCE ADVOCATE, THE PATIENT WILL BE SCREENED FOR POTENTIAL ELIGIBILITY FOR STATE AND FEDERAL MEDICAL PAYMENT PROGRAMS AS WELL AS THE HOSPITAL'S INTERNAL

Part VI Supplemental Information

FINANCIAL ASSISTANCE POLICY.

OUTPATIENTS, WHO ARE DESIGNATED AS SELF PAY, WILL BE MAILED A FLYER INFORMING THEM OF THE FINANCIAL OPTIONS AVAILABLE AND REQUESTING THAT IF THEY DO NEED ASSISTANCE WITH THEIR BILLS, THEY ARE TO CONTACT A BILLING REPRESENTATIVE TO SCHEDULE AN APPOINTMENT WITH THE PATIENT ADVOCATE TO BE SCREENED. THE BILLING REPRESENTATIVE'S CONTACT INFORMATION IS PROVIDED ON THE FLYER.

FLYERS ARE LOCATED AT THE PATIENT REGISTRATION AREAS AND IN THE LOCAL PHYSICIAN OFFICES. IN ADDITION, A NOTICE IS PLACED IN THE COMMUNITY PAPER INFORMING THEM OF THE EXISTENCE OF THE ADVOCATE AND HOW TO SCHEDULE AN APPOINTMENT SHOULD THEY NEED ASSISTANCE WITH THEIR MEDICAL BILLS.

PART VI, LINE 4: THE COMMUNITY HOSPITAL OF BREMEN IS A 24 BED CRITICAL ACCESS HOSPITAL LOCATED IN MARSHALL COUNTY, APPROXIMATELY 25 MILES SOUTHEAST OF SOUTH BEND, INDIANA. THE COMMUNITY SERVED BY COMMUNITY HOSPITAL OF BREMEN IS DEFINED AS FOLLOWS: ALL PEOPLE LIVING WITHIN THE FOLLOWING ZIP CODES: 46506, 46537, 46536, 46595, 46573, 46550, 46504, AND 46563

DESCRIPTION OF COMMUNITY:

THE PHYSICAL SERVICE AREA OF COMMUNITY HOSPITAL OF BREMEN IS LOCATED IN THE NORTH CENTRAL REGION OF INDIANA. THE COMMUNITY IS LARGELY RURAL AND IS COMPRISED OF SOUTHEASTERN ST. JOSEPH COUNTY, SOUTHWESTERN ELKHART COUNTY, NORTHEAST MARSHALL COUNTY, AND NORTHWEST KOSCIUSKO COUNTY.

POPULATION - ETHNICITY, AGE, HOUSEHOLDS & INCOME: ACCORDING TO IVANTAGE HEALTH ANALYTICS, IN CONJUNCTION WITH 2011 ESRI DATA, THE TOTAL POPULATION

Part VI Supplemental Information

OF THE COMMUNITY IS 57,552; AND THE AVERAGE MEDIAN AGE IN THE COUNTY IS 37.07 YEARS OLD. FEMALES MAKE UP 50.5% OF THE OVERALL POPULACE. MINORITY POPULATIONS MAKE UP 9.71% OF THE TOTAL INHABITANTS OF THE COUNTY. THERE ARE 20,826 HOUSEHOLDS COMPRISED OF APPROXIMATELY 2.76 PERSONS EACH. THE AVERAGE HOUSEHOLD INCOME IS \$57,403; AND THE AVERAGE PER CAPITA INCOME IS \$20,772.

PART VI, LINE 5: THE COMMUNITY HOSPITAL OF BREMEN IS THE MEALS ON WHEELS PROVIDER FOR OUR COMMUNITY. THE HOSPITAL PREPARED APPROXIMATELY 3,550 DURING THE LAST FISCAL YEAR. THE \$2.85 SUBSIDY PER MEAL COVERS THE COST OF THE MEAL INGREDIENTS, BUT DOES NOT COVER THE LABOR COST OF PREPARATION.

THE HOSPITAL OFFERS SEVERAL GRATIS PROGRAMS TO MEMBERS OF THE COMMUNITY. PRENATAL AND CHILDBIRTH CLASSES ARE TAUGHT ON AN ONGOING BASIS. THESE CLASSES ARE FREE TO THOSE GIVING BIRTH AT THE HOSPITAL. A NOMINAL FEE IS CHARGED TO THOSE WHO ARE NOT. A HOSPITAL REGISTERED NURSE MAKES A WELL BABY HOME VISIT TO THE HOME OF EVERY BABY BORN AT THE COMMUNITY HOSPITAL OF BREMEN. THE HOSPITAL OFFERS A FREE WALK-IN BLOOD PRESSURE CHECK PROGRAM. ON A CONTRACTED BASIS THE HOSPITAL PROVIDES A PATIENT ADVOCATE TWO DAYS PER MONTH TO SCREEN INDIVIDUALS FOR ELIGIBILITY FOR HEALTHCARE INSURANCE AND OR THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. THIS HOSPITAL FUNDED SERVICE IS OPEN TO THE PUBLIC. COMMUNITY HOSPITAL OF BREMEN PROVIDES A JOB SHADOWING PROGRAM FOR LOCAL STUDENTS WHO ARE INTERESTED IN BECOMING HEALTHCARE PROVIDERS. SAFE SITTER BABYSITTING CLASSES AND CPR CLASSES ARE TAUGHT WITH A SMALL CHARGE TO COVER COURSE MATERIALS.

PART VI, LINE 6: N/A - THE ORGANIZATION IS NOT PART OF AN AFFILIATED

Part VI Supplemental Information

HEALTH CARE SYSTEM.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

IN