

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2014

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.

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

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HUNTINGTON MEMORIAL HOSPITAL, INC.	D Employer identification number 35-1970706
	Doing business as	E Telephone number 260-373-7001
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2001 STULTS ROAD	G Gross receipts \$ 77,321,569.
	City or town, state or province, country, and ZIP or foreign postal code HUNTINGTON, IN 46750	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
F Name and address of principal officer: MICHAEL J. PACKNETT 10501 CORPORATE DRIVE, FORT WAYNE, IN 46845		H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.PARKVIEW.COM		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1995 M State of legal domicile: IN

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: HUNTINGTON MEMORIAL HOSPITAL, INC. WORKS TO IMPROVE THE HEALTH OF OUR COMMUNITIES AND PROVIDES		
	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	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	321
	6 Total number of volunteers (estimate if necessary)	6	121
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	73,366.	131,565.
	9 Program service revenue (Part VIII, line 2g)	55,359,074.	62,497,042.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,091,894.	1,762,520.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	409,568.	83,874.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	56,933,902.	64,475,001.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	349,037.	328,684.
	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)	16,453,273.	16,889,145.
	16 a 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)	30,074,957.	30,712,777.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	46,877,267.	47,930,606.	
19 Revenue less expenses. Subtract line 18 from line 12	10,056,635.	16,544,395.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 42,695,713.	End of Year 43,269,674.
	21 Total liabilities (Part X, line 26)	2,204,857.	2,690,856.
	22 Net assets or fund balances. Subtract line 21 from line 20	40,490,856.	40,578,818.

Part II Signature Block

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

Sign Here	Signature of officer 	Date 11/5/2015			
	MICHAEL J PACKNETT, PH CEO Type or print name and title				
Paid	Print/Type preparer's name KENNETH J. KEBER	Preparer's signature 	Date 2015.11.03 11:23:55 -05'00'	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00240883
Preparer Use Only	Firm's name ▶ CROWE HORWATH LLP	Firm's EIN ▶ 35-0921680		Phone no. 574-232-3992	
	Firm's address ▶ 330 EAST JEFFERSON BLVD, PO BOX 7 SOUTH BEND, IN 46624 0007				

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

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2014, or tax year beginning _____, 2014, and ending _____, 20____

2014

Department of the Treasury
Internal Revenue Service

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

Name of exempt organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

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

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

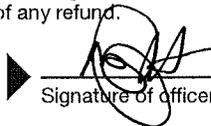
1a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>64,475,001.</u>
2a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here	<input type="checkbox"/>	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 2014 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  Signature of officer | 11/5/2015 Date | PH CEO Title

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

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

ERO's Use Only	ERO's signature 	Date <u>11-5-15</u>	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	PARKVIEW HEALTH SYSTEM, INC. 10501 CORPORATE DRIVE FORT WAYNE, IN 46845		EIN 35-1972384	Phone no. 260-373-8429

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature 	Date <u>11/3/2015</u>	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00240883
	Firm's name	CROWE HORWATH LLP			Firm's EIN 35-0921680
	Firm's address	330 EAST JEFFERSON BLVD, PO BOX 7 SOUTH BEND, IN 46624 0007			Phone no. 574-232-3992



Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	December 31, 2014
Notice date	August 24, 2015
Employer ID number	35-1970706
To contact us	Phone 1-877-829-5500 FAX 801-620-5555

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HUNTINGTON MEMORIAL HOSPITAL INC
% PARKVIEW HEALTH
2001 STULTS RD
HUNTINGTON IN 46750-1291



112065

Page 1 of 1

Important information about your December 31, 2014 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your
December 31, 2014 Form 990.

Your new due date is November 15, 2015.

What you need to do

File your December 31, 2014 Form 990 by November 15, 2015. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.



Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	December 31, 2014
Notice date	April 20, 2015
Employer ID number	35-1970706
To contact us	Phone 1-877-829-5500 FAX 801-620-5555

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HUNTINGTON MEMORIAL HOSPITAL INC
% PARKVIEW HEALTH
2001 STULTS RD
HUNTINGTON IN 46750-1291



182820

Important information about your December 31, 2014 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your December 31, 2014 Form 990.
Your new due date is August 15, 2015.

What you need to do

File your December 31, 2014 Form 990 by August 15, 2015. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

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- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: HUNTINGTON MEMORIAL HOSPITAL, INC. WORKS TO IMPROVE THE HEALTH OF OUR COMMUNITIES AND PROVIDES QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US.

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 38,550,669. including grants of \$ 328,684.) (Revenue \$ 62,497,042.) AS A 100 TOP HOSPITAL IN THE SMALL COMMUNITY HOSPITAL CATEGORY, HUNTINGTON MEMORIAL HOSPITAL, INC. STRIVES TO PROVIDE EXCELLENT SERVICE TO EVERY PATIENT EVERY DAY. SERVICES INCLUDE A FULL-SERVICE, 24-HOUR EMERGENCY DEPARTMENT WITH EIGHT TREATMENT ROOMS AND ONE TRAUMA BAY, TWO SURGICAL SUITES, A FAMILY BIRTHING CENTER WITH SIX PRIVATE LABOR-DELIVERY-RECOVERY-POSTPARTUM ROOMS, REHABILITATION SERVICES INCLUDING PHYSICAL AND OCCUPATIONAL THERAPY, SPEECH THERAPY, CARDIAC AND PULMONARY REHAB, AND DIAGNOSTIC IMAGING, MAMMOGRAPHY, ULTRASOUND, CT SCAN, MRI, AND NUCLEAR MEDICINE.

COMMUNITY FOCUSED: AS A NOT-FOR-PROFIT HOSPITAL, OUR MISSION IS CENTRAL TO HOW WE DELIVER

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

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

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

4e Total program service expenses 38,550,669.

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>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
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>		X
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>	X	
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>		X
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>		X
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>		X
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>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
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>		X
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>	X	
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>		X
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>		X
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>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
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>		X
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>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	

Part IV Checklist of Required Schedules (continued)

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

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

X

Table with columns for question numbers (1a-14b), Yes, and No. Contains various tax compliance questions and their corresponding answers.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
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?		X
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
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?	X	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
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		X

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?		X
10b	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?	X	
11b	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	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
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?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
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?		X
16b	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?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **IN**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **STANTON RISSER - 260-373-8403**
10501 CORPORATE DRIVE, FORT WAYNE, IN 46845

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DARLENE GARRETT	40.00									
DIRECTOR/HMHOS PRESIDENT/PARTIAL YR	1.00	X		X			278,979.	0.	52,226.	
JULI JOHNSON	40.00									
DIRECTOR/HMHOS PRESIDENT	1.00	X		X			155,362.	0.	42,451.	
MICHAEL PACKNETT	1.00									
PH PRESIDENT & CEO	55.00	X		X			0.	1,301,223.	224,891.	
STEVEN WYNDER	1.00									
DIRECTOR/VICE CHAIR/PH PHYSICIAN	40.00	X					4,476.	666,842.	43,179.	
JULIE UTENDORF	1.00									
DIRECTOR/PH PHYSICIAN	40.00	X					5,481.	267,822.	43,179.	
ANETTE LANE	1.00									
DIRECTOR/PH PHYSICIAN	40.00	X					17,741.	238,891.	43,296.	
ESTHER JOHNSON	1.00									
DIRECTOR	0.00	X					4,500.	0.	0.	
THOMAS KARST	1.00									
DIRECTOR/CHAIR	1.00	X					7,443.	3,404.	0.	
JANICE MATTERN	1.00									
DIRECTOR	0.00	X					5,000.	0.	0.	
JOHN NELSON	1.00									
DIRECTOR	1.00	X					3,500.	0.	0.	
DARLENE STANLEY	1.00									
DIRECTOR/SECRETARY	1.00	X					5,000.	0.	0.	
CHRIS STORIE	1.00									
DIRECTOR	1.00	X					2,500.	750.	0.	
RYAN WARNER	1.00									
DIRECTOR/TREASURER	0.00	X					5,000.	0.	0.	
MICHAEL BROWNING	1.00									
PH SVP & CFO	55.00			X			0.	736,633.	99,949.	
EDWARD STRUBEL	40.00									
HMHOS MGR PHARMACY	0.00					X	157,364.	0.	38,250.	
HOLLY SALE	40.00									
HMHOS DIR RHB-WELLNESS-PHY	0.00					X	141,260.	0.	22,120.	
BRYAN HALL	47.00									
HMHOS PHARMACIST	3.00					X	120,617.	5,613.	48,968.	

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	131,565.			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		131,565.			
Program Service Revenue	2 a NET PATIENT SERVICE	Business Code 622000	59,154,621.	59,154,621.		
	b PHARMACY	446110	2,008,671.	2,008,671.		
	c MEANINGFUL USE	900099	823,864.	823,864.		
	d EMS SUBSIDY	900099	250,000.	250,000.		
	e POHCI MEDICAL SERVICES	621990	128,858.	128,858.		
	f All other program service revenue	900099	131,028.	131,028.		
	g Total. Add lines 2a-2f		62,497,042.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		502,925.		502,925.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real	96,898.			
		(ii) Personal	157,981.			
		b Less: rental expenses	-61,083.			
		c Rental income or (loss)				
	d Net rental income or (loss)		-61,083.		-61,083.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	13,948,182.			
		(ii) Other				
		b Less: cost or other basis and sales expenses	12,688,587.			
		c Gain or (loss)	1,259,595.			
	d Net gain or (loss)		1,259,595.		1,259,595.	
	8 a 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						
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a CAFETERIA REVENUE	722210	138,764.		138,764.		
b MEDICAL STAFF CREDENTIALING	561499	5,750.		5,750.		
c FITNESS CENTER - EMPLOYEES	713940	443.		443.		
d All other revenue						
e Total. Add lines 11a-11d		144,957.				
12 Total revenue. See instructions.		64,475,001.	62,497,042.	0.	1,846,394.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	328,684.	328,684.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	593,806.		593,806.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	12,364,990.	12,364,990.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	3,930,349.	3,930,349.		
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	87,900.		87,900.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	4,021,737.	3,486,130.	535,607.	
12 Advertising and promotion	6,934.	6,934.		
13 Office expenses	1,305,682.	1,236,469.	69,213.	
14 Information technology				
15 Royalties				
16 Occupancy	1,976,015.	1,975,649.	366.	
17 Travel	46,354.	31,452.	14,902.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	25,398.	22,503.	2,895.	
20 Interest	10,255.	10,255.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	935,520.	928,193.	7,327.	
23 Insurance	101,691.	101,691.		
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 CORP SERVICE ALLOCATION	8,022,000.		8,022,000.	
b BAD DEBT	7,228,705.	7,228,705.		
c MEDICAL SUPPLIES	4,663,161.	4,663,161.		
d PH SUBSIDY	2,172,647.	2,172,647.		
e All other expenses	108,778.	62,857.	45,921.	
25 Total functional expenses. Add lines 1 through 24e	47,930,606.	38,550,669.	9,379,937.	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 if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	2,550.	1	2,550.
	2	Savings and temporary cash investments	432,972.	2	438,377.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	6,172,191.	4	6,620,034.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	251,216.	8	183,329.
	9	Prepaid expenses and deferred charges	16,403.	9	8,493.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	14,141,512.		
	b	Less: accumulated depreciation	10,499,703.	10c	3,641,809.
	11	Investments - publicly traded securities	31,205,928.	11	32,140,887.
	12	Investments - other securities. See Part IV, line 11	1,598.	12	1,598.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	534,451.	15	232,597.
16	Total assets. Add lines 1 through 15 (must equal line 34)	42,695,713.	16	43,269,674.	
Liabilities	17	Accounts payable and accrued expenses	1,336,486.	17	1,457,494.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	250,233.	23	174,664.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	618,138.	25	1,058,698.
	26	Total liabilities. Add lines 17 through 25	2,204,857.	26	2,690,856.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	40,490,856.	27	40,578,818.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	40,490,856.	33	40,578,818.	
34	Total liabilities and net assets/fund balances	42,695,713.	34	43,269,674.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	64,475,001.
2	Total expenses (must equal Part IX, column (A), line 25)	2	47,930,606.
3	Revenue less expenses. Subtract line 2 from line 1	3	16,544,395.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	40,490,856.
5	Net unrealized gains (losses) on investments	5	-733,289.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-15,723,144.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	40,578,818.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	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.	X	
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? _____		X
3b	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 _____		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2014

Open to Public Inspection

Name of the organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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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 in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	14		%
15 Public support percentage from 2013 Schedule A, Part II, line 14	15		%
16a 33 1/3% support test - 2014. 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 - 2013. 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 - 2014. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			<input type="checkbox"/>

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

(Complete only if you checked the box on line 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2014. 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 - 2013. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No" describe in **Part VI** how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2).
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.
- b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in **Part VI** when and how the organization made the determination.
- c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in **Part VI** what controls the organization put in place to ensure such use.
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.
- b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.
- c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in **Part VI**, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).
- b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in **Part VI**.
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990).
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in **Part VI**.
- b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in **Part VI**.
- c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in **Part VI**.
- 10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer (b) below.
- b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

Part IV Supporting Organizations (continued)

- 11** Has the organization accepted a gift or contribution from any of the following persons?
- a** A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
 - b** A family member of a person described in (a) above?
 - c** A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in **Part VI**.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

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

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

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

	Yes	No
1		

Section D. Type III Supporting Organizations

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

	Yes	No
1		
2		
3		

Section E. Type III Functionally-Integrated Supporting Organizations

- 1** Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):
 - a** The organization satisfied the Activities Test. Complete **line 2** below.
 - b** The organization is the parent of each of its supported organizations. Complete **line 3** below.
 - c** The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

- a** Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in **Part VI** identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
 - b** Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.
- 3** Parent of Supported Organizations. Answer (a) and (b) below.
- a** Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in **Part VI**.
 - b** Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in **Part VI** the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

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

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

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7 Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2014:			
a			
b			
c			
d			
e From 2013			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2014 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2015. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c			
d Excess from 2013			
e Excess from 2014			

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2014

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$5,000 or more during the year ▶ \$ _____

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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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		\$ 131,565.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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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 HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. 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 info. once.) ▶ \$ _____
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

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.** ▶ Attach to Form 990 or Form 990-EZ.
 ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

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) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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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-.

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"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		7,174.
j Total. Add lines 1c through 1i			7,174.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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?		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

REPRESENTS THE PORTION OF THE DUES PAID TO INDIANA HOSPITAL AND HEALTH ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION USED FOR LOBBYING ACTIVITIES.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014

Open to Public Inspection

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number
35-1970706

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- Number of states where property subject to conservation easement is located ▶ _____
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 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)?
- In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

(i) Revenue included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____
- If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" 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 XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		1,641,580.	905,718.	735,862.
c Leasehold improvements		32,500.	26,812.	5,688.
d Equipment		12,001,561.	9,340,808.	2,660,753.
e Other		465,871.	226,365.	239,506.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				3,641,809.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) RESTRICTED FUNDS	45,340.
(3) DUE TO/FROM INTERUNIT	747,810.
(4) EST MEDICARE/MEDICAID SETTLEMENTS	265,548.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,058,698.

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information.

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

PART X, LINE 2:

PARKVIEW HEALTH SYSTEM, INC. AND SUBSIDIARIES - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES THE LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48 (ASC 740):

PAGE 15 OF ATTACHED FINANCIAL STATEMENTS.

INCOME TAXES: THE INTERNAL REVENUE SERVICE HAS DETERMINED THAT THE CORPORATION AND CERTAIN AFFILIATED ENTITIES ARE TAX-EXEMPT ORGANIZATIONS AS DEFINED IN SECTION 501(C)3 OF THE INTERNAL REVENUE CODE. CERTAIN

Part XIII Supplemental Information (continued)

SUBSIDIARIES OF THE CORPORATION ARE TAXABLE ENTITIES, THE TAX EXPENSE AND LIABILITIES OF WHICH ARE NOT MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS.

THE CORPORATION AND ITS TAX-EXEMPT AFFILIATED ENTITIES EACH FILE A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY. WHEN THESE RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED. EXAMPLES OF TAX POSITIONS COMMON TO HEALTH SYSTEMS INCLUDE SUCH MATTERS AS THE TAX-EXEMPT STATUS OF EACH ENTITY, THE CONTINUED TAX-EXEMPT STATUS OF BONDS, THE NATURE, CHARACTERIZATION AND TAXABILITY OF JOINT VENTURE INCOME, AND VARIOUS POSITIONS RELATING TO POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME (REPORTED ON FORM 990T). AS OF DECEMBER 31, 2014 AND 2013, THERE ARE NO UNRECOGNIZED TAX BENEFITS RESULTING FROM UNCERTAIN TAX POSITIONS.

FORMS 990 AND 990T FILED BY THE CORPORATION AND ITS TAX-EXEMPT AFFILIATED ENTITIES ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN. FORMS 990 AND 990T FILED BY THE CORPORATION AND ITS TAX-EXEMPT AFFILIATED ENTITIES ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEAR 2010 AND PRIOR.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2014

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

Name of the organization **HUNTINGTON MEMORIAL HOSPITAL, INC.** Employer identification number **35-1970706**

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"/>	
1b 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 checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input 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 <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 _____ %		<input checked="" type="checkbox"/>
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<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?		<input checked="" type="checkbox"/>
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.

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
Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			626,037.		626,037.	1.54%
b Medicaid (from Worksheet 3, column a)			4703688.	4804636.	-100,948.	.00%
c Costs of other means-tested government programs (from Worksheet 3, column b)			571,046.	410,553.	160,493.	.39%
d Total Financial Assistance and Means-Tested Government Programs			5900771.	5215189.	685,582.	1.93%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			168,907.	31,276.	137,631.	.34%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1549509.		1549509.	3.81%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			225,826.		225,826.	.55%
j Total. Other Benefits			1944242.	31,276.	1912966.	4.70%
k Total. Add lines 7d and 7j			7845013.	5246465.	2598548.	6.63%

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 letter of facility reporting group HUNTINGTON MEMORIAL HOSPITAL, INC.

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	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 significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input 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 Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>13</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.PARKVIEW.COM/LOCALHEALTHNEEDS</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>14</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>WWW.PARKVIEW.COM/LOCALHEALTHNEEDS</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		X
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
12b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group HUNTINGTON MEMORIAL HOSPITAL, INC.

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of _____ %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input type="checkbox"/> Asset level		
d	<input type="checkbox"/> Medical indigency		
e	<input type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?		X
15	Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	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 FAP was widely available on a website (list url): _____		
b	<input type="checkbox"/> The FAP application form was widely available on a website (list url): _____		
c	<input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): _____		
d	<input type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	<input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> Other (describe in Section C)		

Billing and Collections

17	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	X	
18	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency(ies)		
b	<input type="checkbox"/> Selling an individual's debt to another party		
c	<input type="checkbox"/> Actions that require a legal or judicial process		
d	<input type="checkbox"/> Other similar actions (describe in Section C)		
e	<input type="checkbox"/> None of these actions or other similar actions were permitted		

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group HUNTINGTON MEMORIAL HOSPITAL, INC.

19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?

	Yes	No
19		X

If "Yes", check all actions in which the hospital facility or a third party engaged:

- a Reporting to credit agency(ies)
- b Selling an individual's debt to another party
- c Actions that require a legal or judicial process
- d Other similar actions (describe in Section C)

20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):

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

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

	Yes	No
21	X	

If "No," indicate why:

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

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

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

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

	Yes	No

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

	Yes	No
23		X

If "Yes," explain in Section C.

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

	Yes	No
24		X

If "Yes," explain in Section C.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 5: PARKVIEW WORKED TO ENSURE THAT THE NEEDS OF THE MEDICALLY UNDERSERVED, LOW-INCOME AND MINORITY POPULATIONS WERE TAKEN INTO ACCOUNT DURING THE COURSE OF THE COMMUNITY HEALTH NEEDS ASSESSMENT BY (1) TAKING STEPS TO STRATIFY THE SAMPLE TO ENSURE THAT POPULATION SUBSETS WERE REPRESENTED ACCURATELY AND RESULTS WOULD BE STATISTICALLY SIGNIFICANT; (2) BY WORKING WITH LOCAL ADVOCACY ORGANIZATIONS WHO SPECIALIZE IN AIDING THESE VARIOUS POPULATIONS IN OUR COMMUNITY. IN ADDITION, PURDUE HEALTHCARE ADVISORS CONDUCTED A SURVEY OF PUBLIC HEALTH, OTHER HEALTHCARE PROFESSIONALS, AND SOCIAL SERVICE AGENCIES THAT SERVE LOW-INCOME POPULATIONS IN HUNTINGTON COUNTY TO BETTER UNDERSTAND KEY PUBLIC HEALTH AND HEALTHCARE ISSUES. THE SURVEY CONSISTED OF THE FOLLOWING COMPONENTS: RESPONDENT DEMOGRAPHICS, UNMET NEEDS, HEALTH BEHAVIORS, ENVIRONMENTAL FACTORS, THE GREATEST HEALTH CHALLENGE, BARRIERS TO ACCESSING HEALTHCARE AND UTILIZATION OF EDUCATION AND PREVENTION RESOURCES. THE SURVEY WAS CONDUCTED ELECTRONICALLY USING QUALTRICS, A SECURE ONLINE SURVEY WITHOUT A SYSTEMATIC SAMPLING TECHNIQUE. ALL DATA WAS COLLECTED AND REPORTED IN AGGREGATE.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 6A: PARKVIEW HOSPITAL, INC. (EIN 35-0868085); COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC. (EIN 20-2401676); COMMUNITY HOSPITAL OF NOBLE COUNTY, INC. (EIN 35-2087092); WHITLEY MEMORIAL HOSPITAL, INC. (EIN 35-1967665) AND ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC (EIN 26-0143823).

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 6B: PARKVIEW HEALTH SYSTEM, INC.; FORT

WAYNE-ALLEN COUNTY DEPARTMENT OF HEALTH; INDIANA UNIVERSITY-PURDUE

UNIVERSITY FORT WAYNE CENTER FOR SOCIAL RESEARCH AND PURDUE HEALTHCARE

ADVISORS OF PURDUE UNIVERSITY.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 11: INFANT MORTALITY - PRENATAL CARE IS OFFERED

FROM PARKVIEW HUNTINGTON HOSPITAL, INC. VIA THE BIRTH PLANNING PROGRAM.

TEEN BIRTHS - THIS AREA IS ADDRESSED BY THE BOYS AND GIRLS CLUB, YOUTH SERVICES BUREAU, AND LOCAL CHURCHES.

EXCESSIVE ALCOHOL USE - A SUPPORT GROUP FOR AA IS OFFERED AT PARKVIEW

HUNTINGTON HOSPITAL, INC. AS WELL AS AN INTENSIVE OUTPATIENT PROGRAM HELD

AT PARKVIEW HUNTINGTON HOSPITAL, INC. AND STAFFED BY PARKVIEW BEHAVIORAL

HEALTH. YOUTH SERVICES BUREAU ALSO OFFERS SKILLS FOR LIFE PROGRAM FOR

MIDDLE SCHOOL AND HIGH SCHOOL STUDENTS WHICH ADDRESSES THIS ISSUE.

MENTAL HEALTH - AN INTENSIVE OUTPATIENT PROGRAM IS HELD AT PARKVIEW

HUNTINGTON HOSPITAL, INC. AND STAFFED BY PARKVIEW BEHAVIORAL HEALTH.

PRIMARY CARE PHYSICIANS - WE COLLABORATE WITH PARKVIEW PHYSICIANS GROUP TO

PROVIDE MEDICAL COVERAGE THAT IS NEEDED FOR OUR COMMUNITY. IF AN

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

INDIVIDUAL DOES NOT HAVE A PRIMARY CARE PHYSICIAN, WE PROVIDE THEM WITH A LIST OF THE LOCAL PHYSICIANS AND THEIR CONTACT NUMBERS. AS APPROPRIATE, WE REFER THE PATIENT TO THE HUNTINGTON COUNTY FREE CLINIC FOR CARE.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 16I: POLICY WORDING IS IN THE PROCESS OF BEING UPDATED.

HOWEVER, THE FOLLOWING DETAILS HOW THE ORGANIZATION CURRENTLY 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:

-AT POINT OF REGISTRATION OR SCHEDULING, IF A PATIENT EXPRESSES THEIR INABILITY TO PAY, THE REGISTRAR OR SCHEDULER WILL REFER THE PATIENT TO A FINANCIAL COUNSELOR OR WILL PROVIDE FINANCIAL COUNSELING CONTACT INFORMATION IN THE FORM OF A BUSINESS CARD TO THE PATIENT OUTSIDE OF NORMAL BUSINESS HOURS.

-SIGNAGE IN THE EMERGENCY DEPARTMENT AND CASHIER AREAS INFORMS THE PATIENT OF THEIR RIGHT TO RECEIVE CARE REGARDLESS OF THEIR ABILITY TO PAY AND TELLS THEM THEY MAY BE ELIGIBLE FOR GOVERNMENTAL ASSISTANCE.

-THE PATIENT'S INITIAL STATEMENT INSTRUCTS THE PATIENT TO CALL THE PATIENT ACCOUNTING DEPARTMENT IF THEY CANNOT PAY IN FULL. THE PATIENT ACCOUNTING CALL CENTER COLLECTORS SCREEN FOR THE APPLICABILITY OF GOVERNMENT

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

ASSISTANCE AND OFFER FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-THE ONLINE ACCOUNT MANAGER OF HUNTINGTON MEMORIAL HOSPITAL, INC.'S WEBSITE (WWW.PARKVIEW.COM) CONTAINS INFORMATION ON HOW TO CONTACT THE PATIENT ACCOUNTING DEPARTMENT FOR PAYMENT OPTIONS OR FREE CARE ELIGIBILITY.

-ALL UNINSURED OR UNDERINSURED PATIENTS WHO ARE INPATIENT OR OBSERVATION STATUS ARE VISITED BY FINANCIAL COUNSELORS. THE FINANCIAL COUNSELORS PROVIDE PAYMENT OPTIONS, INCLUDING SCREENING FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE, AS WELL AS OFFERING FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-OUTBOUND PHONE CALLS ARE MADE TO PATIENTS TO SET UP PAYMENT ARRANGEMENTS. IF A PATIENT CANNOT MAKE PAYMENT ON THEIR ACCOUNT, THEY WILL BE SCREENED FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE. ADDITIONALLY, FREE CARE APPLICATIONS WILL BE OFFERED TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-IF A PATIENT'S ACCOUNT IS PLACED WITH A COLLECTION AGENCY, THE AGENCY IS INSTRUCTED TO SCREEN FOR FREE CARE IF THE PATIENT EXPRESSES THEIR INABILITY TO PAY.

HUNTINGTON MEMORIAL HOSPITAL, INC.:

PART V, SECTION B, LINE 22D: FULL WRITEOFFS ARE PROVIDED TO PATIENTS WHOSE

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

INCOME FALLS UNDER 200% OF THE FPG. ON CHARITY CARE PATIENTS WITH
RESIDUAL SELF-PAY BALANCES AFTER INSURANCE PROCESSED AND PAID OR DENIED
THEIR CLAIM, 100% OF THE REMAINING ACCOUNT BALANCE AFTER INSURANCE
PAYMENTS AND CONTRACTUAL ADJUSTMENTS IS WRITTEN OFF TO CHARITY CARE.

Lined area for supplemental information.

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

ELIGIBILITY CRITERIA FOR FREE OR DISCOUNTED CARE

HUNTINGTON MEMORIAL HOSPITAL, INC. PROVIDES DISCOUNTED CARE TO UNINSURED PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. IF THE PATIENT ULTIMATELY QUALIFIES FOR CHARITY CARE USING THE 200% FPG, THE REMAINING BALANCE AFTER THE DISCOUNT IS WRITTEN OFF TO CHARITY.

PART I, LINE 7:

PART I, LINE 7A

HUNTINGTON MEMORIAL HOSPITAL, INC. IS COMMITTED TO PROVIDING CHARITY CARE TO PATIENTS UNABLE TO MEET THEIR FINANCIAL OBLIGATIONS. IT IS FURTHERMORE THE POLICY OF HUNTINGTON MEMORIAL HOSPITAL, INC. NOT TO WITHHOLD OR DENY ANY REQUIRED MEDICAL CARE AS A RESULT OF A PATIENT'S FINANCIAL INABILITY TO PAY HIS/HER MEDICAL EXPENSES.

THE CHARITY CARE COST REPORTED ON LINE 7A IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY. UNDER THIS METHOD, THE CHARITY CARE CHARGES FOREGONE ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE

Part VI Supplemental Information (Continuation)

COST OF SERVICES RENDERED.

PART I, LINE 7B

HUNTINGTON MEMORIAL HOSPITAL, INC. ACCEPTS ALL MEDICAID, MEDICAID MANAGED CARE, AND OUT-OF-STATE MEDICAID PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS. INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICAID PATIENTS IS A COMMUNITY BENEFIT. IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICAID, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. THE UNREIMBURSED MEDICAID COST REPORTED ON LINE 7B IS CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY. UNDER THIS METHOD, THE MEDICAID CHARGES ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF MEDICAID SERVICES RENDERED. THEN, THE COST OF MEDICAID SERVICES RENDERED IS DEDUCTED FROM THE REIMBURSEMENT RECEIVED FOR MEDICAID PATIENTS TO ARRIVE AT A GAIN/(LOSS) RELATIVE TO THESE PATIENTS.

PART I, LINE 7C

HUNTINGTON MEMORIAL HOSPITAL, INC. ACCEPTS ALL MEANS-TESTED PATIENTS FROM THE HEALTHY INDIANA PLAN (HIP) WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS. INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEANS-TESTED PATIENTS IS A COMMUNITY BENEFIT. IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING HIP, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. THE UNREIMBURSED HIP COST REPORTED ON LINE 7C IS CALCULATED UNDER THE COST TO

Part VI Supplemental Information (Continuation)

CHARGE RATIO METHODOLOGY. UNDER THIS METHOD, THE HIP CHARGES ARE MULTIPLIED BY THE RATIO OF COST TO CHARGES TO DETERMINE THE COST OF HIP SERVICES RENDERED. THEN, THE COST OF HIP SERVICES RENDERED IS DEDUCTED FROM THE REIMBURSEMENT RECEIVED FOR HIP PATIENTS TO ARRIVE AT A GAIN/(LOSS) RELATIVE TO THESE PATIENTS.

PART I, LINE 7E

AMOUNTS PRESENTED ARE BASED ON ACTUAL SPEND FOR THOSE SERVICES AND BENEFITS PROVIDED DEEMED TO IMPROVE THE HEALTH OF THE COMMUNITIES IN WHICH WE SERVE AND CONFORM WITH THE MISSION OF OUR EXEMPT PURPOSE.

PART I, LINE 7I

IN KEEPING WITH OUR MISSION AND COMMITMENT TO THE COMMUNITIES IN WHICH WE SERVE, HUNTINGTON MEMORIAL HOSPITAL, INC. CONTINUES ITS TRADITION OF CONTRIBUTING TO NUMEROUS ORGANIZATIONS ON BOTH AN AS-NEEDED BASIS AND NEGOTIATED BASIS. AMOUNTS PRESENTED REPRESENT ACTUAL SPEND TO ORGANIZATIONS THROUGHOUT OUR COMMUNITIES.

PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES

HUNTINGTON MEMORIAL HOSPITAL, INC. INCLUDED \$1,549,509 OF MEDICARE AND MEDICAID SHORTFALLS AND CHARITY CARE CALCULATED UNDER THE COST TO CHARGE RATIO METHODOLOGY ATTRIBUTABLE TO PARKVIEW HEALTH PHYSICIAN CLINICS AS SUBSIDIZED HEALTH SERVICES.

PART I, LN 7 COL(F):

PERCENT OF TOTAL EXPENSE

HUNTINGTON MEMORIAL HOSPITAL, INC. EXCLUDED \$7,228,705 OF BAD DEBT

Part VI Supplemental Information (Continuation)

EXPENSE.

PART II, COMMUNITY BUILDING ACTIVITIES:

DESCRIBE HOW THE ORGANIZATION'S COMMUNITY BUILDING ACTIVITIES, AS REPORTED, PROMOTE THE HEALTH OF THE COMMUNITIES THE ORGANIZATION SERVES.

HUNTINGTON MEMORIAL HOSPITAL, INC. EMPLOYS A STRATEGIC COMMUNITY OUTREACH INITIATIVE TO ACTIVELY ENGAGE LEADERS AND STAFF IN KEY COMMUNITY GROUPS IN A COLLABORATIVE EFFORT TO IMPROVE THE QUALITY OF LIFE FOR ALL CITIZENS OF HUNTINGTON COUNTY. THERE ARE NINE COMMUNITY PARTNERS WHO COMMIT TO WORK WITH US TO INFLUENCE HEALTHY LIFE STYLES AND CHOICES AMONG CHILDREN AND ADULTS IN THE COUNTY. IN 2014, TWO OF THESE COMMUNITY PARTNERS HAVE GAINED PROMINENCE AS AGENTS OF POSITIVE CHANGE IN THE HUNTINGTON COUNTY AREA.

BOTH THE PARKVIEW HUNTINGTON YMCA AND THE PARKVIEW HUNTINGTON BOYS AND GIRLS CLUB CONTINUE TO OFFER PROGRAMS THAT STIMULATE POSITIVE CHANGE FOR CHILDREN, ADULTS AND FAMILIES. ACTIVITIES AT THE YMCA BRING COMMUNITY MEMBERS TOGETHER TO IMPROVE THEIR MIND, BODY AND SPIRIT WHILE FORGING A COMMITMENT TO THE GREATER GOOD OF HUNTINGTON COUNTY. THE PARKVIEW HUNTINGTON BOYS AND GIRLS CLUB DELIVERS SUPPORT, EDUCATION AND LEADERSHIP PROGRAMS TO MORE THAN 150 NEEDY YOUTH IN THE AREA. HUNTINGTON MEMORIAL HOSPITAL IS A PROUD SUPPORTER AND PARTNER TO THESE TWO COMMUNITY ORGANIZATIONS AND THEIR LIFE-CHANGING PROGRAMS.

THE ANNUAL "HEALTHY STEPS" PROGRAM OFFERED TWICE A YEAR BY HUNTINGTON MEMORIAL HOSPITAL SHOWCASES THE HOSPITAL'S COMMITMENT TO SERVE AS A GATHERING PLACE FOR HEALTHY LIVING SERVICES AND INFORMATION. MORE THAN

Part VI Supplemental Information (Continuation)

300 HUNTINGTON COUNTY RESIDENTS ATTEND EACH HEALTHY STEPS EVENT TO RECEIVE REDUCED LAB AND CONSULTATIVE SERVICES AND TO GAIN INFORMATION ON HOSPITAL PROGRAMS AND SERVICES TO PROMOTE HEALTHY LIFE CHOICES. ALL THE ACTIVITY IN THE HOSPITAL DURING THE HEALTHY STEPS EVENTS CLEARLY DEMONSTRATES HOW THE HOSPITAL BRINGS CITIZENS TOGETHER FROM ACROSS HUNTINGTON COUNTY IN A COLLECTIVE EFFORT TO FOCUS ON HEALTH AND WELL-BEING.

PART III, LINE 2:

THE AMOUNT REPORTED IS CONSISTENT WITH THE AMOUNT REPORTED ON THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS UNDER THE GENERALLY ACCEPTED ACCOUNTING STANDARDS.

PART III, LINE 3:

COSTING METHODOLOGY USED:

UNCOLLECTIBLE PATIENT ACCOUNTS ARE CHARGED AGAINST THE PROVISION FOR BAD DEBT IN ACCORDANCE WITH THE POLICIES OF HUNTINGTON MEMORIAL HOSPITAL, INC. HOWEVER, DURING THE COLLECTION PROCESS THERE IS A CONTINUOUS EFFORT TO DETERMINE IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE. THEREFORE, ONCE AN UNCOLLECTIBLE ACCOUNT HAS BEEN CHARGED OFF AND IT IS DETERMINED THROUGH THE COLLECTION PROCESS THAT THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE, THE UNCOLLECTIBLE ACCOUNT IS RECLASSIFIED TO CHARITY CARE AND ALL COLLECTION EFFORTS CEASE.

PATIENTS ARE ELIGIBLE TO APPLY FOR FINANCIAL ASSISTANCE AT ANY TIME, INCLUDING PATIENTS WHOSE ACCOUNTS HAVE BEEN PLACED IN A BAD DEBT AGENCY. THE AMOUNT REFLECTED ON LINE 3 WAS CALCULATED BY TOTALING THE ACCOUNTS PREVIOUSLY WRITTEN OFF TO BAD DEBT AND PLACED WITH A COLLECTION AGENCY, BUT SUBSEQUENTLY RECLASSIFIED AS CHARITY CARE DURING THE TAX YEAR. THE

Part VI Supplemental Information (Continuation)

ACCOUNTS WERE RECLASSIFIED AS CHARITY CARE DUE TO THE FACT THAT PATIENTS APPLIED FOR, AND WERE APPROVED FOR, FINANCIAL ASSISTANCE AFTER THE ACCOUNTS WERE PLACED WITH A BAD DEBT AGENCY.

PART III, LINE 4:

BAD DEBT EXPENSE - PARKVIEW HEALTH SYSTEM, INC. AND SUBSIDIARIES - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TEXT OF THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE OR THE PAGE NUMBER ON WHICH THIS FOOTNOTE IS CONTAINED IN THE ATTACHED FINANCIAL STATEMENTS:
PAGE 12 OF ATTACHED FINANCIAL STATEMENTS.

PART III, LINE 8:

COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTS

SUBSTANTIAL SHORTFALLS TYPICALLY ARISE FROM PAYMENTS THAT ARE LESS THAN THE COST TO PROVIDE THE CARE OR SERVICES AND DO NOT INCLUDE ANY AMOUNTS RELATING TO INEFFICIENT OR POOR MANAGEMENT. HUNTINGTON MEMORIAL HOSPITAL, INC. ACCEPTS ALL MEDICARE PATIENTS, AS REFLECTED ON THE YEAR-END MEDICARE COST REPORT, WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS. INTERNAL REVENUE SERVICE (IRS) REVENUE RULING 69-545 IMPLIES THAT TREATING MEDICARE PATIENTS IS A COMMUNITY BENEFIT. IRS REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR NONPROFIT HOSPITALS, STATES THAT IF A HOSPITAL SERVES PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, INCLUDING MEDICARE, THEN THIS IS AN INDICATION THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. HOWEVER, MEDICARE PAYMENTS REPRESENT A PROXY OF COST CALLED THE "UPPER PAYMENT LIMIT." IT HAS

Part VI Supplemental Information (Continuation)

HISTORICALLY BEEN ASSUMED THAT UPPER PAYMENT LIMIT PAYMENTS DO NOT GENERATE A SHORTFALL. AS A RESULT, HUNTINGTON MEMORIAL HOSPITAL, INC. HAS TAKEN THE POSITION NOT TO INCLUDE THE MEDICARE SHORTFALLS OR SURPLUSES AS PART OF COMMUNITY BENEFIT. HUNTINGTON MEMORIAL HOSPITAL, INC. RECOGNIZES THAT THE SHORTFALL OR SURPLUS FROM MEDICARE DOES NOT INCLUDE THE COSTS AND REVENUES ASSOCIATED WITH MEDICARE ADVANTAGE PATIENTS. AS SUCH, THE TOTAL SHORTFALL OR SURPLUS OF MEDICARE IS UNDERSTATED DUE TO THE COSTS AND REVENUES ASSOCIATED WITH MEDICARE ADVANTAGE PATIENTS NOT BEING INCLUDED IN THE COMMUNITY BENEFIT DETERMINATION.

PART III, LINE 9B:

COLLECTION PRACTICES FOR PATIENTS ELIGIBLE FOR CHARITY CARE

THE LAST PARAGRAPH OF THE PAYMENT POLICY STATES:

"FINANCIAL ASSISTANCE MAY BE AVAILABLE FOR THOSE PATIENTS WHO CANNOT PAY THEIR BILL. THOSE OPTIONS ARE WELFARE ASSISTANCE OR FREE CARE THROUGH THE HOSPITAL CHARITY PROGRAM. (SEE CHARITY CARE POLICY.) PATIENTS WILL BE INSTRUCTED TO CONTACT A COUNSELOR TO DISCUSS THE AVAILABLE OPTIONS."

ADDITIONALLY, THERE IS AN ONGOING EFFORT THROUGHOUT THE COLLECTION PROCESS TO SCREEN FOR MEDICAID ELIGIBILITY AND THE NEED FOR PROVIDING CHARITY CARE APPLICATIONS TO PATIENTS. IF A PATIENT MAY BE ELIGIBLE FOR MEDICAID, THE HOSPITAL PROVIDES A SERVICE TO OUR PATIENTS THAT HELPS THEM APPLY FOR MEDICAID WITH THE STATE IN WHICH THEY RESIDE. IF A PATIENT IS APPROVED FOR CHARITY CARE, THEIR ACCOUNT IS WRITTEN OFF AND COLLECTION EFFORTS CEASE.

PART VI, LINE 2:

DESCRIBE HOW THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES.

Part VI Supplemental Information (Continuation)

PARKVIEW HEALTH SYSTEM, INC., (PH), INCLUDING HUNTINGTON MEMORIAL HOSPITAL, INC. PARTNERED WITH THE FORT WAYNE-ALLEN COUNTY DEPARTMENT OF HEALTH TO CONDUCT A COMMUNITY HEALTH NEEDS ASSESSMENT IN 2013. PH CONTRACTED WITH INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE CENTER FOR SOCIAL RESEARCH TO SURVEY PUBLIC HEALTH REPRESENTATIVES, OTHER HEALTHCARE PROFESSIONALS, SOCIAL SERVICE AGENCIES AND OTHER COMMUNITY GROUP REPRESENTATIVES REGARDING COMMUNITY HEALTH NEEDS.

THIS 2013 COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IS A LIVING DOCUMENT THAT IDENTIFIES THREE FOCUS AREAS TO BE ADDRESSED OVER A THREE YEAR PERIOD. THE THREE FOCUS AREAS FOR HUNTINGTON MEMORIAL HOSPITAL, INC. ARE: (1) OBESITY, (2) PRENATAL CARE, AND (3) TOBACCO USE. THE CALENDAR YEAR 2014 IS THE SECOND YEAR OF THIS THREE-YEAR PROGRAM, GROUNDED ON THE 2013 CHNA RESULTS.

THE SURVEY DATA HAS PROVEN TO BE A VALUABLE TOOL AS WE CONTINUE TO SEEK AND PRIORITIZE OPPORTUNITIES TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE AND IDENTIFY OPPORTUNITIES FOR COLLABORATION AMONG COMMUNITY ORGANIZATIONS AND LEADERS. HUNTINGTON MEMORIAL HOSPITAL, INC. REPRESENTATIVES HAVE RELATIONSHIPS THROUGHOUT THE COMMUNITY AND MEET REGULARLY WITH VARIOUS ORGANIZATIONS THAT SHARE HUNTINGTON MEMORIAL HOSPITAL, INC.'S MISSION OF IMPROVING THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE.

PART VI, LINE 3:

DESCRIBE HOW THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE

Part VI Supplemental Information (Continuation)

UNDER FEDERAL, STATE OR LOCAL GOVERNMENT PROGRAMS OR UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.

-AT POINT OF REGISTRATION OR SCHEDULING, IF A PATIENT EXPRESSES THEIR INABILITY TO PAY, THE REGISTRAR OR SCHEDULER WILL REFER THE PATIENT TO A FINANCIAL COUNSELOR OR WILL PROVIDE FINANCIAL COUNSELING CONTACT INFORMATION IN THE FORM OF A BUSINESS CARD TO THE PATIENT OUTSIDE OF NORMAL BUSINESS HOURS.

-SIGNAGE IN THE EMERGENCY DEPARTMENT AND CASHIER AREAS INFORMS THE PATIENT OF THEIR RIGHT TO RECEIVE CARE REGARDLESS OF THEIR ABILITY TO PAY AND TELLS THEM THEY MAY BE ELIGIBLE FOR GOVERNMENTAL ASSISTANCE.

-THE PATIENT'S INITIAL STATEMENT INSTRUCTS THE PATIENT TO CALL THE PATIENT ACCOUNTING DEPARTMENT IF THEY CANNOT PAY IN FULL. THE PATIENT ACCOUNTING CALL CENTER COLLECTORS SCREEN FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE AND OFFER FREE CARE APPLICATIONS TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-THE ONLINE ACCOUNT MANAGER OF HUNTINGTON MEMORIAL HOSPITAL, INC.'S WEBSITE (WWW.PARKVIEW.COM) CONTAINS INFORMATION ON HOW TO CONTACT THE PATIENT ACCOUNTING DEPARTMENT FOR PAYMENT OPTIONS OR FREE CARE ELIGIBILITY.

-ALL UNINSURED OR UNDERINSURED PATIENTS WHO ARE INPATIENT OR OBSERVATION STATUS ARE VISITED BY FINANCIAL COUNSELORS. THE FINANCIAL COUNSELORS PROVIDE PAYMENT OPTIONS, INCLUDING SCREENING FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE, AS WELL AS OFFERING FREE CARE APPLICATIONS TO

Part VI Supplemental Information (Continuation)

PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-OUTBOUND PHONE CALLS ARE MADE TO PATIENTS TO SET UP PAYMENT ARRANGEMENTS.

IF A PATIENT CANNOT MAKE PAYMENT ON THEIR ACCOUNT, THEY WILL BE SCREENED FOR THE APPLICABILITY OF GOVERNMENT ASSISTANCE. ADDITIONALLY, FREE CARE APPLICATIONS WILL BE OFFERED TO PATIENTS WHO CANNOT AFFORD TO PAY THEIR BILLS.

-IF A PATIENT'S ACCOUNT IS PLACED WITH A COLLECTION AGENCY, THE AGENCY IS INSTRUCTED TO SCREEN FOR FREE CARE IF THE PATIENT EXPRESSES THEIR INABILITY TO PAY.

PART VI, LINE 4:

DESCRIBE THE COMMUNITY THE ORGANIZATION SERVES, TAKING INTO ACCOUNT THE GEOGRAPHIC AREA AND DEMOGRAPHIC CONSTITUENTS IT SERVES.

HUNTINGTON MEMORIAL HOSPITAL, INC. PRIMARILY SERVES THE HUNTINGTON COUNTY COMMUNITIES OF HUNTINGTON, ANDREWS, MARKLE, MT. ETNA, ROANOKE, AND WARREN.

HUNTINGTON COUNTY HAS APPROXIMATELY 36,706 RESIDENTS, PRIMARILY CAUCASIAN (97.5%) FOLLOWED BY HISPANIC (2%) AND AFRICAN AMERICAN (.5%). THE COUNTY'S ANNUAL UNEMPLOYMENT RATE IS 5.8%. THE MEDIAN INCOME IN HUNTINGTON COUNTY IS \$44,828. THE EMPLOYMENT AND EARNINGS BY INDUSTRY IS HEAVILY MANUFACTURING (29%) FOLLOWED BY HEALTHCARE/SOCIAL SERVICES (8.3%) AND CONSTRUCTION JOBS (4.2%). THE POVERTY RATE IN HUNTINGTON COUNTY STANDS AT 13%.

PART VI, LINE 5:

Part VI Supplemental Information (Continuation)

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.).

HUNTINGTON MEMORIAL HOSPITAL, INC.'S BOARD OF DIRECTORS IS COMPRISED OF MEMBERS, OF WHICH SUBSTANTIALLY ALL ARE INDEPENDENT COMMUNITY MEMBERS. A MAJORITY OF THE BOARD RESIDES IN HUNTINGTON MEMORIAL HOSPITAL, INC.'S PRIMARY SERVICE AREA. HUNTINGTON MEMORIAL HOSPITAL, INC. ALSO EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

PEOPLE THROUGHOUT THE COMMUNITY CAN COUNT ON HUNTINGTON MEMORIAL HOSPITAL, INC. TO BE STANDING BY WITH EMERGENCY CARE 24 HOURS A DAY, 365 DAYS A YEAR. THE EMERGENCY DEPARTMENT IS STAFFED WITH BOARD-CERTIFIED EMERGENCY CARE PHYSICIANS AND A NURSING STAFF THAT IS TRAINED AND EXPERIENCED IN EMERGENCY CARE. FURTHERMORE, NO PATIENT IS EVER DENIED TREATMENT, REGARDLESS OF THEIR ABILITY TO PAY.

ADDITIONALLY, HUNTINGTON MEMORIAL HOSPITAL, INC. FUNDS COMMUNITY HEALTH IMPROVEMENT INITIATIVES AND PARTNERS WITH COMMUNITY ORGANIZATIONS TO ENCOURAGE HEALTHIER LIFESTYLES AMONG THE CITIZENS OF NORTHEAST INDIANA. KEY PROJECTS AND AREAS OF FOCUS FUNDED THROUGH THE COMMUNITY HEALTH IMPROVEMENT INITIATIVES AND OTHER HOSPITAL FUNDS INCLUDE:

-INVESTMENT IN KEY ORGANIZATIONS (HEALTH PARTNERS) THAT ENCOURAGE HEALTHIER LIFESTYLES AMONG THE CITIZENS OF HUNTINGTON COUNTY AND NORTHEAST INDIANA.

Part VI Supplemental Information (Continuation)

-HEALTH AND WELLNESS COMMITTEE: THE HOSPITAL IS PART OF A GROUP OF NOT-FOR-PROFIT ORGANIZATIONS, INCLUDING THE UNITED WAY AND THE YMCA THAT MEET REGULARLY TO DISCUSS THE HEALTH AND WELLNESS ISSUES OF HUNTINGTON COUNTY.

-COMMUNITY NURSING INITIATIVE: HUNTINGTON MEMORIAL HOSPITAL, INC. FUNDS A FULL-TIME LICENSED PRACTICAL NURSE AT PATHFINDER, INC.'S "KIDS KAMPUS". THE NURSE WORKS IN THE SICK CARE UNIT OF THIS CHILD-CARE CENTER TO ENABLE PARENTS TO HAVE A PLACE WHERE THEIR SICK CHILDREN CAN RECEIVE EXCELLENT CARE.

-HUNTINGTON MEMORIAL HOSPITAL, INC. PROVIDES OPERATING SUPPORT TO THE HUNTINGTON COUNTY FREE CLINIC TO CARE FOR UNINSURED AND UNDERINSURED HUNTINGTON COUNTY RESIDENTS. IN ADDITION, THE HOSPITAL PROVIDES SUPPORT FOR THE HUNTINGTON MEDICAL ASSISTANCE PROGRAM THAT ASSISTS THOSE WHO QUALIFY IN OBTAINING MEDICAL SUPPLIES AND PRESCRIPTION MEDICATIONS AT LITTLE OR NO COST. THE PROGRAM ALSO ASSISTS PATIENTS TO ENROLL IN THE PHARMACEUTICAL ASSISTANCE PROGRAM (PAP).

PART VI, LINE 6:

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.

PARKVIEW HEALTH SYSTEM, INC., (PH) A HEALTHCARE SYSTEM SERVING NORTHEAST INDIANA, INCLUDES THE NOT-FOR-PROFIT HOSPITALS OF PARKVIEW HOSPITAL, INC., COMMUNITY HOSPITAL OF LAGRANGE COUNTY, INC., COMMUNITY HOSPITAL OF NOBLE COUNTY, INC., WHITLEY MEMORIAL HOSPITAL, INC., AND HUNTINGTON MEMORIAL

Part VI Supplemental Information (Continuation)

HOSPITAL, INC. AS WELL AS 60% OWNERSHIP IN THE JOINT VENTURE OF ORTHOPEDIC HOSPITAL AT PARKVIEW NORTH, LLC.

PH IS GUIDED BY A MISSION TO IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES. PH CONTRIBUTES TO THE SUCCESS OF NORTHEAST INDIANA BY EFFICIENTLY OPERATING ITS FACILITIES, DELIVERING HIGH QUALITY HEALTHCARE SERVICES TO ITS PATIENTS, AND PROVIDING SUPPORT TO LOCAL BUSINESSES AND ACTIVITIES. PARKVIEW SEEKS TO CREATE ALIGNMENT OPPORTUNITIES TO DELIVER COMPREHENSIVE HIGH-QUALITY CARE THAT BENEFITS ITS PATIENTS, COMMUNITIES, PHYSICIANS, AND CO-WORKERS.

PH PRIDES ITSELF IN NOT ONLY OFFERING THE HIGHEST LEVEL OF CARE TO ITS PATIENTS, BUT ALSO IN PROVIDING A WORKPLACE THAT IS SECOND TO NONE FOR ITS PHYSICIANS, LEADERS AND CO-WORKERS. PH BELIEVES THAT THE COMMUNITIES IT SERVES SHOULD ALL HAVE THE PEACE OF MIND THAT COMES WITH CONVENIENT ACCESS TO COMPASSIONATE, HIGH-QUALITY HEALTH CARE FOR ALL CITIZENS.

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

IN

PART VI, LINE 7:

A COPY OF FORM 990, SCHEDULE H IS FILED WITH THE INDIANA STATE DEPARTMENT OF HEALTH.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number
35-1970706

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY - 608 EAST STATE STREET - HUNTINGTON, IN 46750	35-2094506	501 (C) 3	100,964.	0.			LIFE SKILLS PROGRAMS FOR ALL YOUNG PEOPLE
PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC. - 2001 STULTS ROAD - HUNTINGTON, IN 46750	32-0012095	501 (C) 3	80,000.	0.			OPERATIONS
COMMUNITY AND FAMILY SERVICES HUNTINGTON - 521 SOUTH WAYNE STREET - PORTLAND, IN 47371	35-6059208	501 (C) 3	38,876.	0.			PROVIDE ASSISTANCE AND ADVOCACY FOR LOW-INCOME RESIDENTS
UNITED WAY OF HUNTINGTON PO BOX 347 HUNTINGTON, IN 46750	35-1134872	501 (C) 3	28,500.	0.			PROGRAMS & RESOURCES TO ENHANCE THE QUALITY OF LIFE FOR THE CITIZENS OF HUNTINGTON COUNTY
HUNTINGTON COUNTY COMMUNITY FOUNDATION - 356 WEST PARK DRIVE - HUNTINGTON, IN 46750	35-1838709	501 (C) 3	20,000.	0.			SERVING DONORS AND THE COMMUNITY - CHARITABLE GIVING
HUNTINGTON COUNTY COUNCIL ON AGING 354 N JEFFERSON STREET HUNTINGTON, IN 46750	35-1323270	501 (C) 3	20,000.	0.			HUNTINGTON AREA TRANSPORTATION AND PROGRAMMING

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **9.**

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule I (Form 990) (2014)**

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990) Part II).

(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
CANCER SERVICES OF NORTHEAST IN 6316 MUTUAL DRIVE FORT WAYNE, IN 46825	35-0965609	501 (C) 3	10,000.	0.		PATIENT ADVOCACY	
PARKVIEW HUNTINGTON FAMILY YMCA 1160 W 500 N HUNTINGTON, IN 46750	35-0905959	501 (C) 3	10,000.	0.		PROGRAMS THAT BUILD HEALTHY SPIRIT, MIND AND BODY FOR ALL. PROMOTE A STABLE AND DIVERSE HOSPITAL INFRASTRUCTURE THROUGHOUT INDIANA	
IHA HOSPITAL ASSISTANCE FOUNDATION INC. - 1 AMERICAN SQUARE SUITE 1900 - INDIANAPOLIS, IN 46282	45-5573749	501 (C) 3	5,478.	0.			

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:
COMMUNITY HEALTH IMPROVEMENT FUNDING PARTNER ORGANIZATIONS ARE REQUIRED TO
SUBMIT AN ANNUAL PROGRESS REPORT RELATED TO PROGRAM FUNDING. PARTNER
ORGANIZATIONS ARE REQUIRED TO RE-APPLY FOR FUNDING ON AN ANNUAL BASIS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

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 checked="" 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 directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

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

- | | |
|--|--|
| <input 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) 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?
- b** Any related organization?
- 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?
- b** Any related organization?
- 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
1b	X	
2	X	
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A:

TRAVEL FOR COMPANIONS

TOP 100 HOSPITAL CELEBRATION MEAL EXPENSE FOR FAMILY MEMBER PAID TO:

DARLENE GARRETT \$142; TOM KARST \$142

TOP 100 HOSPITAL CELEBRATION AIRFARE EXPENSE FOR FAMILY MEMBER PAID TO: TOM

KARST \$301.

PART I, LINE 3:

RELATED ORGANIZATION, PARKVIEW HEALTH SYSTEM, INC., USES THE FOLLOWING TO

ESTABLISH THE COMPENSATION OF HUNTINGTON MEMORIAL HOSPITAL, INC.'S

CEO/EXECUTIVE DIRECTOR:

COMPENSATION COMMITTEE (BOARD OF RELATED ORGANIZATION PARKVIEW HEALTH

SYSTEM, INC.)

INDEPENDENT COMPENSATION CONSULTANT

FORM 990 OF OTHER ORGANIZATIONS

COMPENSATION SURVEY OR STUDY

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE (BOARD OF RELATED ORGANIZATION PARKVIEW HEALTH SYSTEM, INC.)

PART I, LINE 4B:

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS

TAXABLE - DARLENE GARRETT \$11,020

PARTICIPANTS DEFERRED - MICHAEL BROWNING \$59,000; DARLENE GARRETT \$22,420;

JULI JOHNSON \$12,299; MICHAEL PACKNETT \$180,202; STANTON RISSER \$11,702

PART I, LINE 7:

MANAGEMENT INCENTIVE COMPENSATION PLAN (MICP) IS AN ANNUAL INCENTIVE

PROGRAM. SYSTEM GOALS ARE APPROVED BY THE BOARD IN ADVANCE OF THE PLAN

YEAR. AT CONCLUSION OF THE PLAN YEAR, RESULTS ARE SHARED WITH THE BOARD

AND THE BOARD APPROVES FINAL PAYMENT.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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

OMB No. 1545-0047

2014

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Inspection

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number
35-1970706

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

QUALITY HEALTH SERVICES TO ALL WHO ENTRUST THEIR CARE TO US.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CARE. HUNTINGTON MEMORIAL HOSPITAL, INC. EXISTS FOR ONE PURPOSE - TO

IMPROVE THE HEALTH AND WELL-BEING OF OUR COMMUNITIES. HUNTINGTON

MEMORIAL HOSPITAL, INC. SUPPORTS HUNTINGTON COUNTY WITH CERTIFIED

NURSING STAFF, HEALTH EDUCATION AND OUTREACH PROGRAMS, FREE AND

DISCOUNTED CARE. THE FOLLOWING PROGRAMS DEMONSTRATE SOME OF THE WAYS

HUNTINGTON MEMORIAL HOSPITAL, INC. REACHES OUT TO OUR NEIGHBORHOODS AND

HELPS LOCAL CITIZENS CREATE HEALTHIER, HAPPIER LIVES:

-FINANCIAL ASSISTANCE

-COMMUNITY HEALTH IMPROVEMENT INITIATIVES

-PRIMARY HEALTH CARE/ACCESS

-HEALTH SCREENING AND PREVENTION

-COMMUNITY NURSING

FINANCIAL ASSISTANCE:

HUNTINGTON MEMORIAL HOSPITAL, INC.'S MISSION INCLUDES CARING FOR

PATIENTS WHO DO NOT HAVE THE MEANS TO MEET ALL OF THEIR FINANCIAL

OBLIGATIONS RELATED TO THE MEDICAL SERVICES THEY RECEIVE. THE HOSPITAL

COMMITTS TO PROVIDING THE BEST CARE, REGARDLESS OF THE PATIENT'S ABILITY

TO PAY.

COMMUNITY HEALTH IMPROVEMENT INITIATIVES:

Name of the organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
--	--

THE PURPOSE OF HUNTINGTON MEMORIAL HOSPITAL, INC.'S COMMUNITY HEALTH IMPROVEMENT PROGRAM IS TO FUND COMMUNITY HEALTH IMPROVEMENT EFFORTS WITHIN THE SERVICE AREA OF HUNTINGTON MEMORIAL HOSPITAL, INC. THE HOSPITAL SETS ASIDE UP TO 10 PERCENT OF ITS NET INCOME ANNUALLY TO FUND COMMUNITY HEALTH INITIATIVES, AND COMMUNITY HEALTH PARTNERS.

WITH OUR COMMUNITY HEALTH PARTNERS PROGRAM, HUNTINGTON MEMORIAL HOSPITAL, INC. INVESTS IN KEY ORGANIZATIONS THAT PROMOTE THE HEALTHY LIFESTYLE CHOICES AND WELLNESS OF CITIZENS, CHILDREN, AND FAMILIES OF HUNTINGTON COUNTY. IN THE CALENDAR YEAR 2014, THE HOSPITAL SELECTED NINE COMMUNITY AGENCIES OR ORGANIZATIONS TO SUPPORT AND COLLABORATE IN ADDRESSING OUR FOCUS AREAS OF SMOKING CESSATION, PRENATAL CARE AND OBESITY.

THE HOSPITAL IS A CONTRIBUTING MEMBER OF THE HEALTH AND WELLNESS COALITION OF HUNTINGTON COUNTY. THIS COLLABORATION OF NON-PROFIT ORGANIZATIONS SUCH AS THE UNITED WAY, YMCA, AND AREA SCHOOLS MEET REGULARLY TO DISCUSS AND PLAN ACTIVITIES WHERE YOUTH AND ADULTS CAN PRACTICE GOOD NUTRITION HABITS AND PURSUE A MORE ACTIVE LIFESTYLE.

PRIMARY HEALTH CARE / ACCESS:

HUNTINGTON MEMORIAL HOSPITAL, INC. PROVIDES SUPPORT TO THE HUNTINGTON COUNTY FREE CLINIC. THE CLINIC IS ONE OF OUR COMMUNITY HEALTH PARTNERS. THE FREE CLINIC PROVIDES CARE FOR UNINSURED AND UNDERINSURED HUNTINGTON COUNTY RESIDENTS. THE CLINIC'S 90-DAY WELLNESS PROGRAM PROVIDES INDIVIDUALIZED WEIGHT MANAGEMENT COACHING.

IN ADDITION, THE HOSPITAL PROVIDES SUPPORT FOR THE HUNTINGTON MEDICAL

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

ASSISTANCE PROGRAM THAT ASSISTS THOSE WHO QUALIFY IN OBTAINING MEDICAL SUPPLIES AND PRESCRIPTION MEDICATIONS AT NO COST. THE PROGRAM ALSO HELPS PATIENTS ENROLL IN PHARMACEUTICAL ASSISTANCE PROGRAMS (PAP).

IN 2014, THE HOSPITAL LAUNCHED A PATIENT AND FAMILY ENGAGEMENT ADVISORY COUNCIL. THIS GROUP OF COMMUNITY LEADERS AND REPRESENTATIVES ARE DEDICATED TO IMPROVING THE PATIENT EXPERIENCE BY OFFERING FEEDBACK AND RECOMMENDATIONS ON HOW TO PROVIDE SAFE, QUALITY CARE FOR PATIENTS. THIS COLLABORATIVE EFFORT BETWEEN HOSPITAL LEADERSHIP AND CONCERNED CITIZENS CREATES DIALOGUE AROUND AND IMPROVEMENTS TO THE PATIENT EXPERIENCE.

HEALTH SCREENING/PREVENTION AND DISEASE MANAGEMENT:

HUNTINGTON MEMORIAL HOSPITAL, INC. PARTICIPATES IN NUMEROUS HEALTH FAIRS AND ACTIVITIES THROUGHOUT THE YEAR TO PROVIDE HEALTH EDUCATION, HEALTH SCREENINGS FOR DISEASE PREVENTION, AND TO PROMOTE HEALTHY LIFESTYLES. AT THE PARKVIEW HUNTINGTON YMCA HEALTHY KIDS DAY, FOR EXAMPLE, HOSPITAL LEADERS ENCOURAGE AREA YOUTH TO COMMIT TO INCREASING THEIR DAILY PHYSICAL ACTIVITY AND CONSUMPTION OF FRUITS AND VEGETABLES.

HUNTINGTON MEMORIAL HOSPITAL INC. SPONSORS HEALTHY STEPS, A POPULAR, SEMI-ANNUAL HEALTHCARE EVENT FOR HUNTINGTON COUNTY CITIZENS. MORE THAN 325 INDIVIDUALS VISIT THE HOSPITAL FOR BLOOD/LAB WORK, PHYSICIAN CONSULTATIONS, AND TO ATTEND EDUCATIONAL BOOTHS OFFERING SCREENINGS FOR BONE DENSITY, HEART HEALTH, STRENGTH AND CONDITIONING HEALTH, BREAST CANCER, PULMONARY (SLEEP LAB), SKIN CANCER, AND DENTAL ISSUES.

HUNTINGTON MEMORIAL HOSPITAL, INC. ENGAGES IN OUTREACH AND ASSISTANCE

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

TO PATIENTS AND FAMILIES THROUGH VARIOUS SUPPORT GROUPS SUCH AS
DIABETES EDUCATION, PAIN MANAGEMENT, AND ALZHEIMER'S CARE.

COMMUNITY NURSING:

HUNTINGTON MEMORIAL HOSPITAL, INC. DONATES A FULL-TIME LICENSED
PRACTICAL NURSE TO KIDS KAMPUS. THE NURSE STAFFS THE SICK CARE UNIT OF
THIS CHILD-CARE CENTER, AFFILIATED WITH PATHFINDERS. THIS LPN LEVEL
CARE ENSURES PARENTS A QUALITY, CONVENIENT PLACE WHERE THEIR SICK CHILD
CAN RECEIVE INDIVIDUALIZED CARE.

HUNTINGTON MEMORIAL HOSPITAL, INC. PROVIDES A LACTATION CONSULTANT FOR
PATIENTS AND COMMUNITY MEMBERS TO LEARN AND PRACTICE EFFECTIVE BREAST
FEEDING TECHNIQUES. A CERTIFIED OB NURSE PROVIDES PRENATAL CARE
EDUCATIONAL SESSIONS TO HUNTINGTON COUNTY CITIZENS.

FORM 990, PART VI, SECTION A, LINE 6:

THE ORGANIZATION IS ORGANIZED AS A NOT-FOR-PROFIT CORPORATION. PURSUANT TO
THE ORGANIZATION'S GOVERNING DOCUMENTS, PARKVIEW HEALTH SYSTEM, INC. EIN
35-1972384 IS THE SOLE MEMBER OF HUNTINGTON MEMORIAL HOSPITAL, INC. WITH
CERTAIN RESERVED POWERS.

FORM 990, PART VI, SECTION A, LINE 7A:

THE CORPORATE MEMBER, PARKVIEW HEALTH SYSTEM, INC. EIN 35-1972384, SHALL
HAVE THE FOLLOWING RESERVED POWERS AS DEFINED IN THE NETWORK AGREEMENT:

(A) APPOINT DIRECTORS (INCLUDING APPOINTMENTS TO FILL A VACANCY) AND
INITIATE THE REMOVAL AND REMOVE ANY DIRECTOR OF THE CORPORATION, WITH
CAUSE, PROVIDED CONSIDERATION IS GIVEN TO RECOMMENDATIONS OF THE BOARD

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

REGARDING SUCH APPOINTMENT OR REMOVAL, IF ANY ARE SO MADE;

(B) APPOINT (INCLUDING APPOINTMENTS TO FILL A VACANCY) AND INITIATE THE REMOVAL AND REMOVE THE PRESIDENT OF THE CORPORATION, WITH OR WITHOUT CAUSE, PROVIDED CONSIDERATION IS GIVEN TO RECOMMENDATIONS OF THE BOARD REGARDING SUCH APPOINTMENT OR REMOVAL, IF ANY ARE SO MADE;

(C) APPROVE AND ADOPT THE STRATEGIC PLAN FOR THE CORPORATION AND ITS AFFILIATES, INCLUDING ANY INDIVIDUAL INITIATIVES OR ARRANGEMENTS, SUCH AS A NEW SERVICE OR CONTRACTUAL ARRANGEMENT, DEEMED BY THE CORPORATE MEMBER TO BE OF STRATEGIC IMPORTANCE TO THE CORPORATION OR ITS AFFILIATES AND DIRECT AND MONITOR COMPLIANCE WITH SUCH PLANS, INITIATIVES, AND ARRANGEMENTS;

(D) APPROVE AND ADOPT THE CAPITAL AND OPERATING BUDGETS OF THE CORPORATION AND ITS AFFILIATES;

(E) APPROVE THE INCURRENCE OF ANY DEBT PROPOSED BY THE CORPORATION, INCLUDING THE ISSUANCE OF BONDS, BY THE CORPORATION AND ITS AFFILIATES AND REQUIRE THE INCURRENCE OF DEBT BY THE CORPORATION AND ITS AFFILIATES;

(F) APPROVE THE TRANSFER OF ASSETS BY THE CORPORATION AND ITS AFFILIATES, INCLUDING TRANSFERS OF REAL PROPERTY, PERSONAL PROPERTY, CASH, STOCK OR OTHER TANGIBLE OR INTANGIBLE ASSETS, UNLESS OTHERWISE IDENTIFIED IN PREVIOUSLY APPROVED STRATEGIC PLANS, INITIATIVES, ARRANGEMENTS OR BUDGETS;

(G) REQUIRE AND DIRECT THE TRANSFER OF ASSETS BY THE CORPORATION OR ITS AFFILIATES, PROVIDED THAT APPROVAL OF THE BOARD IS ALSO REQUIRED IF THE TRANSFER INVOLVES A TRANSFER OR SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

35-1970706

THE CORPORATION OR WOULD PREVENT THE CORPORATION FROM OPERATING AN ACUTE CARE HOSPITAL IN THE COMMUNITY. FOR PURPOSES OF THIS SECTION, BOARD APPROVAL SHALL NOT BE REQUIRED FOR PARTICIPATION IN A MASTER TRUST INDENTURE, POOLED FINANCING OR ANY OTHER KIND OF DEBT INSTRUMENT, BORROWING OR GUARANTY OBLIGATING CORPORATION'S ASSETS;

(H) APPROVE PARTICIPATION (INCLUDING THE EXERCISE OF RENEWAL OPTIONS) BY THE CORPORATION AND ITS AFFILIATES IN NETWORKS, AFFILIATIONS, JOINT VENTURES, PARTNERSHIPS, MERGERS OR ACQUISITIONS AND REQUIRE PARTICIPATION BY THE CORPORATION AND ITS AFFILIATES IN SUCH ARRANGEMENTS;

(I) APPROVE DECISIONS OF THE CORPORATION AND ITS AFFILIATES TO PARTICIPATE (INCLUDING THE EXERCISE OF RENEWAL OPTIONS) IN MANAGED CARE OR OTHER HEALTH CARE SERVICE PURCHASING ARRANGEMENTS AND REQUIRE PARTICIPATION BY THE CORPORATION AND ITS AFFILIATES IN SUCH HEALTH CARE SERVICE PURCHASING ARRANGEMENTS;

(J) DEVELOP AND REQUIRE ADOPTION OF MINIMUM MEDICAL STAFF QUALITY ASSURANCE AND UTILIZATION REVIEW STANDARDS, CRITERIA AND PROCEDURES FOR THE CORPORATION AND ITS AFFILIATES IN CONSULTATION WITH THE CORPORATION;

(K) APPROVE ANY ACTION OF THE CORPORATION OR AN AFFILIATE TO CHANGE THE HOSPITAL FROM A GENERAL, ACUTE CARE COMMUNITY HOSPITAL OR TO CLOSE THE HOSPITAL; AND

(L) APPROVE ANY AMENDMENT TO THE BYLAWS OR THE ARTICLES OF INCORPORATION OF THE CORPORATION, AND THE ARTICLES AND BYLAWS OF ANY NEWLY CREATED AFFILIATE AND REQUIRE AMENDMENT OF THESE GOVERNING DOCUMENTS AS NECESSARY

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

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35-1970706

OR ADVISABLE TO RESOLVE SIGNIFICANT ETHICAL ISSUES; TO MAINTAIN JCAHO ACCREDITATION, TAX-EXEMPT STATUS, PARTICIPATION IN MEDICARE/MEDICAID OR TO PREVENT SIGNIFICANT ADVERSE LEGAL OR FINANCIAL EFFECTS TO THE CORPORATION OR SYSTEM, EXCEPT THAT THERE CAN BE NO AMENDMENT TO THE RESERVED POWERS LISTED IN SECTIONS (G) AND (K) OF THIS LIST OR THE REQUIREMENT THAT APPOINTED DIRECTORS CAN BE REPRESENTATIVES OF HUNTINGTON COUNTY, AS DESCRIBED IN ARTICLE V, SECTIONS 2 AND 10 OF BYLAWS WITHOUT THE CONSENT OF THE CORPORATION.

THE CORPORATE MEMBER SHALL DEVELOP POLICIES FOR THE IMPLEMENTATION OF THE RESERVED POWERS, INCLUDING MATERIALITY POLICIES REGARDING MATTERS SUBJECT TO REVIEW.

FORM 990, PART VI, SECTION A, LINE 7B:

SEE SCHEDULE O EXPLANATION FOR FORM 990, PART VI, SECTION A, LINE 7A

FORM 990, PART VI, SECTION B, LINE 11:

PURSUANT TO PARKVIEW HEALTH SYSTEM INC.'S BYLAWS, THE SYSTEM AUDIT COMMITTEE MAY ACT ON BEHALF OF THE CORPORATION TO PROVIDE REVIEW OF THE CORPORATION AND ITS SUBSIDIARY CORPORATIONS' FORM 990 FILINGS. HUNTINGTON MEMORIAL HOSPITAL, INC. IS A SUBSIDIARY CORPORATION OF PARKVIEW HEALTH SYSTEM, INC. AN ELECTRONIC COPY OF THE ORGANIZATION'S FINAL FORM 990 (INCLUDING REQUIRED SCHEDULES) WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY AND THE SYSTEM AUDIT COMMITTEE, PRIOR TO FILING WITH THE IRS. ON OCTOBER 7, 2015, THE SYSTEM AUDIT COMMITTEE REVIEWED THE FORM 990 AS ULTIMATELY FILED WITH THE IRS. THIS REVIEW INCLUDED A PRESENTATION BY THE ORGANIZATION'S TAX PREPARER TO HIGHLIGHT THE SIGNIFICANT AREAS ON THE FORM 990 AND SUPPLEMENTAL SCHEDULES.

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

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FORM 990, PART V, LINES 1A AND 2A:

PARKVIEW HEALTH SYSTEM, INC. (PH), EIN 35-1972384, IS THE COMMON PAYING AGENT FOR THE FILING ORGANIZATION, HUNTINGTON MEMORIAL HOSPITAL, INC., EIN 35-1970706. THEREFORE, ALL APPLICABLE IRS TAX FILINGS, INCLUDING FORMS 1099, 1096, W-2 AND W-3 ARE REPORTED AND FILED BY PH.

THE TOTAL NUMBER REPORTED IN BOX 3 OF FORM 1096 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2014 WAS 493.

THE TOTAL NUMBER OF EMPLOYEES REPORTED ON FORM W-3 AND FILED BY THE COMMON PAYING AGENT, PH, FOR THE YEAR ENDED DECEMBER 31, 2014 WAS 10,268.

FOR PURPOSES OF COMPLETING FORM 990, PART V, LINE 1A AND 2A, THE NUMBER REPORTED FOR THE HUNTINGTON MEMORIAL HOSPITAL, INC. WAS 27 AND 321 RESPECTIVELY.

FORM 990, PART VI, SECTION B, LINE 12C:

AS DESCRIBED IN ARTICLE IX SECTION 6, OF THE PARKVIEW HEALTH SYSTEM, INC. (PH) BYLAWS, PH ADOPTED PH'S COMPLIANCE POLICY FOR THE ORGANIZATION AND ITS NOT-FOR-PROFIT RELATED ORGANIZATIONS (AND AS LIKewise NOTED IN THEIR BYLAWS) WHEN ADDRESSING CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST. THIS COMPLIANCE POLICY (COMPLIANCE POLICY #14) REQUIRES THAT EACH BOARD MEMBER, BOARD COMMITTEE MEMBER, AND KEY MANAGEMENT PERSONNEL MUST ANNUALLY COMPLETE A CONFLICT OF INTEREST FORM. THIS INFORMATION IS PROVIDED TO THE CHAIRMAN OF THE BOARD (FOR BOARD AND BOARD COMMITTEE MEMBERS) AND TO SENIOR

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

Employer identification number

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MANAGEMENT (FOR KEY MANAGEMENT PERSONNEL). IN ADDITION, AS TO THE CONDUCT OF BOARD MEETINGS, THE FOLLOWING PROCESS IS FOLLOWED:

"WHENEVER A PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE IS CONSIDERING A TRANSACTION OR ARRANGEMENT WITH AN ORGANIZATION, ENTITY OR INDIVIDUAL IN WHICH A PERSON COVERED BY THIS POLICY HAS A FINANCIAL OR CONFLICTING INTEREST, THE FOLLOWING SHALL OCCUR:

1. THE INTERESTED PERSON MUST DISCLOSE THE FINANCIAL OR CONFLICTING INTEREST AND ALL MATERIAL FACTS TO THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE;

2. THE INTERESTED PERSON WITH THAT FINANCIAL OR CONFLICTING INTEREST MAY MAKE A PRESENTATION AT THE BOARD OR BOARD COMMITTEE MEETING REGARDING THE TRANSACTION OR ARRANGEMENT HOWEVER, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT RESULTS IN THE FINANCIAL OR CONFLICTING INTEREST; AND

3. THE PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE MUST APPROVE THE TRANSACTION OR ARRANGEMENT BY A MAJORITY VOTE OF THE BOARD MEMBERS PRESENT AT A MEETING THAT HAS A QUORUM, NOT INCLUDING THE VOTE OF THE INTERESTED PERSON. THE INTERESTED PERSON MAY NOT VOTE ON THE MATTER.

A. UPON THE REQUEST OF PH OR PH AFFILIATE BOARD OR BOARD COMMITTEE, THE MATTER MAY BE DELEGATED TO THE PH COMPLIANCE COMMITTEE FOR EVALUATION, RECOMMENDATION AND/OR DETERMINATION.

4. WHENEVER A FINANCIAL OR CONFLICTING INTEREST IS ADDRESSED BY A PH OR PH

Name of the organization

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AFFILIATE BOARD, NOTICE SHALL BE GIVEN TO THE PH COMPLIANCE OFFICER /
GENERAL COUNSEL."

FORM 990, PART VI, SECTION B, LINE 15:

REGARDING LINES 15A AND 15B, TO THE EXTENT THAT THE ORGANIZATION HAS VICE
PRESIDENT OR ABOVE, THE ORGANIZATION USED A PROCESS FOR DETERMINING
COMPENSATION OF THE CEO, OFFICERS, AND KEY EMPLOYEES. THE PROCESS INCLUDES
CONSULTATIONS WITH AN INDEPENDENT COMPENSATION ADVISOR; REVIEW, AND
APPROVAL BY THE GOVERNING BODY; AND CONTEMPORANEOUS DOCUMENTATION AND
RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE
COMPENSATION ARRANGEMENTS. IN 2014, THE BOARD OF PARKVIEW HEALTH SYSTEM,
INC. REVIEWED AND APPROVED ALL EXECUTIVE COMPENSATION, BENEFITS AND
PERQUISITES FOR THE 2014 COMPENSATION PACKAGE, PURSUANT TO THE PARKVIEW
HEALTH BYLAWS. THE COMPENSATION PACKAGE WAS APPROVED BY A MAJORITY OF
INDEPENDENT BOARD MEMBERS.

PARKVIEW'S INDEPENDENT CONSULTANT PREPARES A COMPETITIVE COMPENSATION
ANALYSIS USING DATA FROM MULTIPLE PUBLISHED SURVEYS PREPARED BY INDEPENDENT
FIRMS FOR POSITIONS THAT ARE FUNCTIONALLY COMPARABLE IN SIMILAR-SIZED
HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS ON BOTH A REGIONAL AND NATIONAL
BASIS. THE INDEPENDENT CONSULTANT PROVIDES A STATEMENT OF REASONABLENESS
OF THE COMPENSATION PROVIDED TO THE CEO AS WELL AS ALL EXECUTIVES AT THE
VICE PRESIDENT LEVEL AND ABOVE. ALL DATA IS SHARED WITH THE BOARD OF
DIRECTORS. THE BOARD APPROVES ANY CHANGES IN COMPENSATION FOR THE CEO AND
HIS DIRECT REPORTS. APPROVAL IS ALSO PROVIDED FOR THE MERIT BUDGET FOR THE
ENTIRE ORGANIZATION. THE BOARD REVIEWS AND APPROVES THE MANAGEMENT
INCENTIVE COMPENSATION PLAN (MICP).

Name of the organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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OFFICES OR POSITIONS REVIEWED AT THE 2014 MEETING:

PRESIDENT AND CHIEF EXECUTIVE OFFICER

EXECUTIVE VICE PRESIDENT CHIEF PHYSICIAN OFFICER

PRESIDENT COMMUNITY HOSPITAL

PHYSICIAN EXECUTIVE OFFICER PARKVIEW PHYSICIANS GROUP

SENIOR VICE PRESIDENT CHIEF FINANCIAL OFFICER

SENIOR VICE PRESIDENT CHIEF EXPERIENCE OFFICER

SENIOR VICE PRESIDENT CHIEF INFORMATION OFFICER

SENIOR VICE PRESIDENT COO PARKVIEW HEALTH

SENIOR VICE PRESIDENT COO PARKVIEW PHYSICIANS GROUP

SENIOR VICE PRESIDENT COO PARKVIEW REGIONAL MEDICAL CENTER AND AFFILIATES

SENIOR VICE PRESIDENT COO SERVICE LINE LEADER

SENIOR VICE PRESIDENT DELIVERY SYSTEM INTEGRATION

SENIOR VICE PRESIDENT FACILITY DESIGN AND OVERSIGHT

SENIOR VICE PRESIDENT GENERAL COUNSEL

SENIOR VICE PRESIDENT PATIENT CARE

SENIOR VICE PRESIDENT SERVICE LINE LEADER

SENIOR VICE PRESIDENT STRATEGIC INITIATIVES

VICE PRESIDENT CHANGING SPACES CONSTRUCTION PROJECT MANAGEMENT

VICE PRESIDENT HUMAN RESOURCES

VICE PRESIDENT MKTG/COMM/COMMUNITY RELATIONS

VICE PRESIDENT NURSING PRMC

VICE PRESIDENT NURSING RANDALLIA

VICE PRESIDENT PARKVIEW PHYSICIANS GROUP FINANCE

VICE PRESIDENT PARKVIEW PHYSICIANS GROUP PHYSICIAN PRACTICES

VICE PRESIDENT PATIENT CARE SERVICES COMMUNITY HOSPITAL

VICE PRESIDENT PLANNING AND DECISION SUPPORT

Name of the organization

HUNTINGTON MEMORIAL HOSPITAL, INC.

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VICE PRESIDENT RANDALLIA OPERATIONS

VICE PRESIDENT REVENUE CYCLE MANAGEMENT

VICE PRESIDENT STRATEGY AND BUSINESS DEVELOPMENT

VICE PRESIDENT SUPPLY CHAIN

VICE PRESIDENT SURGICAL AND ANCILLARY SERVICES PRMC AND AFFILIATES

MEDICAL DIRECTOR COMMUNITY HOSPITAL

MEDICAL DIRECTOR PARKVIEW PHYSICIANS GROUP

MEDICAL DIRECTOR INTEGRATION AND DEVELOPMENT

CHIEF MEDICAL INFORMATICS OFFICER

CHIEF MEDICAL OFFICER PRMC AND AFFILIATES

EXECUTIVE DIRECTOR EMPLOYER STRATEGIES

FORM 990, PART VI, SECTION C, LINE 19:

COPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST
POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.

FORM 990, PART IX, LINES 5-10:

PARKVIEW HEALTH SYSTEM, INC., EIN 35-1972384, SERVES AS THE COMMON
PAYING AGENT FOR ALL TAX-EXEMPT ORGANIZATIONS OF THE SYSTEM. SALARIES
AND WAGES OF EMPLOYEES WORKING FOR THESE ORGANIZATIONS ARE CHARGED
DIRECTLY TO THE ORGANIZATIONS IN WHICH THEY WORK. THE ACTUAL EXPENSES
FOR PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS
ARE REFLECTED ON THE BOOKS OF PARKVIEW HEALTH SYSTEM, INC. FOR
FINANCIAL REPORTING PURPOSES.

TO ACCOUNT FOR BENEFIT COSTS ON THE BOOKS OF THE OTHER TAX EXEMPT
ORGANIZATIONS, AN ALLOCATION METHODOLOGY IS UTILIZED TO CHARGE THESE
ORGANIZATIONS WITH AN ESTIMATE OF THE OVERALL COSTS, REFERRED TO AS A

Name of the organization HUNTINGTON MEMORIAL HOSPITAL, INC.	Employer identification number 35-1970706
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"BENEFIT ALLOCATION" FROM PARKVIEW HEALTH SYSTEM, INC. THE ALLOCATION DOES NOT DISTINGUISH BETWEEN THE COSTS OF THE VARIOUS COMPONENTS (I.E. PAYROLL TAXES, EMPLOYEE BENEFITS, AND PENSION PLAN CONTRIBUTIONS).

THEREFORE, FOR PURPOSES OF THE FORM 990, PART IX, THE TOTAL BENEFIT ALLOCATION FOR THE EMPLOYEES' SALARIES AND WAGES REPORTED ON LINE 7 IS REFLECTED ON LINE 9 AND NOT ALLOCATED BETWEEN LINES 8 OR 10. FOR PURPOSES OF THE FORM 990, PART IX, LINES 5 AND 6 REFLECT COMPENSATION AND BENEFIT AMOUNTS REPORTED IN PART VII.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CURRENT YEAR EARNINGS TRANSFERRED TO PARENT	-15,749,882.
ASSET TRANSFERS/ADJUSTMENTS	26,738.
TOTAL TO FORM 990, PART XI, LINE 9	-15,723,144.

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ORTHOPAEDIC HOSPITAL AT PARKVIEW NORTH, LLC - 26-0143823, 10501 CORPORATE DRIVE, FORT WAYNE, IN 46845 FOUNDATION SURGERY AFFILIATE OF FORT WAYNE, LLC - 20-1394120, 8004 CARNEGIE BLVD, FORT WAYNE, IN 46804	ORTHO HOSPITAL	IN	PARKVIEW HEALTH SYSTEM, INC.	RELATED	47,466,142.	56,284,945.		X	N/A		X	
MANAGED CARE SERVICES, LLC - 35-1996535, 10501 CORPORATE DRIVE, FORT WAYNE, IN 46845	HEALTH PLAN ADMIN	IN	PARKVIEW HEALTH SYSTEM, INC.	RELATED	310,434.	201,875.		X	N/A		X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
MIDWEST COMMUNITY HEALTH ASSOCIATES, INC. - 34-1045870, 442 W HIGH STREET, BRYAN, OH 43506	PHYSICIANS	OH	PARKVIEW HEALTH SYSTEM, INC.	C CORP	29,489,689.	2,316,575.			X

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

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

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.		(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC.		B	80,000	PART VII SUPPLEMENTAL INFORMATION
PARKVIEW HUNTINGTON HOSPITAL FOUNDATION, INC.		C	131,565	PART VII SUPPLEMENTAL INFORMATION
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

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

SCHEDULE R, PART V, LINE 2, COLUMN (C):

THE AMOUNTS REPORTED AS TRANSACTIONS WITH RELATED ORGANIZATIONS ARE
CONSISTENT WITH THE AMOUNTS REPORTED ON THE ORGANIZATION'S AUDITED
FINANCIAL STATEMENTS UNDER THE GENERALLY ACCEPTED ACCOUNTING STANDARDS
DEPENDING ON THE TYPE OF TRANSACTION INVOLVED.

**Parkview Health System, Inc.
and Subsidiaries
d/b/a Parkview Health**

Consolidated Financial Report
and Supplementary Information
December 31, 2014

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Independent Auditor's Report

The Board of Directors
Parkview Health System, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Parkview Health System, Inc. and subsidiaries (the Corporation) which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Parkview Health System, Inc. and subsidiaries as of December 31, 2014, and the results of their operations, changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The consolidated financial statements of Parkview Health System, Inc. and subsidiaries, as of and for the year ended December 31, 2013, were audited by other auditors whose report, dated March 27, 2014, expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying details of consolidated balance sheets and details of consolidated statements of operations and changes in net assets, are presented for purposes of additional analysis rather than to present the financial position, results of operations, and changes in net assets of the individual entities and are 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 details of the consolidated balance sheet as of December 31, 2014, and the details of the consolidated statement of operations and changes in net assets for the year then ended, have 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 of America. In our opinion, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The details of the consolidated balance sheet as of December 31, 2013, and the details of the consolidated statement of operations and changes in net assets for the year then ended, were audited by other auditors whose report, dated March 27, 2014, expressed an unmodified opinion on such information in relation to the consolidated financial statements as a whole.

McGladrey LLP

Chicago, Illinois
April 28, 2015

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets
December 31, 2014 and 2013
(In Thousands)

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 64,862	\$ 106,161
Short-term investments	40,216	12,645
Patient accounts receivable, less allowances for bad debts of \$68,157 and \$68,535 in 2014 and 2013, respectively	168,490	165,480
Inventories	16,639	16,907
Prepaid expenses and other current assets	23,194	28,724
Estimated third-party payor settlements	4,811	4,393
Collateral from securities lending agreement	-	1,309
Total current assets	318,212	335,619
Investments		
Board-designated investments	707,710	507,688
Funds held by trustees	25,041	24,900
Securities pledged	-	2,280
Other investments	172	157
	732,923	535,025
Property and Equipment		
Cost	1,640,599	1,555,520
Less accumulated depreciation and amortization	644,940	582,486
	995,659	973,034
Other Assets		
Interest rate swaps	3,564	2,767
Deferred financing costs, net	2,348	2,614
Investments in joint ventures	3,412	3,189
Goodwill and intangible assets, net	81,911	82,029
Other assets	24,760	26,046
	115,995	116,645
Total assets	\$ 2,162,789	\$ 1,960,323

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Balance Sheets
December 31, 2014 and 2013
(In Thousands)

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 54,472	\$ 57,633
Salaries, wages, and related liabilities	77,291	79,894
Accrued interest	2,653	2,740
Estimated third-party payor settlements	19,837	3,750
Payable under securities lending agreement	-	2,324
Current portion of long-term debt	29,851	27,515
Total current liabilities	184,104	173,856
Noncurrent Liabilities		
Long-term debt, less current portion	623,707	621,056
Interest rate swaps	79,288	48,506
Accrued pension obligations	81,670	-
Other	19,289	16,739
	803,954	686,301
Net Assets		
Parkview Health System, Inc.	1,117,321	1,070,619
Noncontrolling interest in subsidiaries	25,230	19,908
Total unrestricted net assets	1,142,551	1,090,527
Temporarily restricted net assets	31,270	8,729
Permanently restricted net assets	910	910
	1,174,731	1,100,166
Total liabilities and net assets	\$ 2,162,789	\$ 1,960,323

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2014 and 2013
(In Thousands)

	2014	2013
Revenues:		
Net patient care service revenue	\$ 1,387,748	\$ 1,203,292
Provision for bad debts	(119,890)	(119,125)
Net patient care service revenue, less provision for bad debts	1,267,858	1,084,167
Other revenue	78,084	76,478
	<u>1,345,942</u>	<u>1,160,645</u>
Expenses:		
Salaries and benefits	582,433	547,016
Supplies	171,671	146,626
Purchased services	128,231	136,926
Utilities, repairs, and maintenance	49,723	47,750
Depreciation and amortization	83,727	83,870
Hospital assessment fee	55,044	19,925
Other	60,808	54,925
	<u>1,131,637</u>	<u>1,037,038</u>
Operating income	<u>214,305</u>	<u>123,607</u>
Nonoperating income (expense):		
Interest, dividends, and realized gains on sales of investments, net	32,486	13,321
Unrealized (losses) gains on investments, net	(13,898)	31,125
Interest expense	(19,121)	(19,818)
Unrealized (losses) gains on interest rate swaps, net	(29,943)	34,965
Other	(9,383)	(9,203)
	<u>(39,859)</u>	<u>50,390</u>
Excess of revenues over expenses	<u>174,446</u>	<u>173,997</u>
Excess of revenues over expenses attributable to noncontrolling interest in subsidiaries	<u>32,050</u>	<u>22,945</u>
Excess of revenues over expenses attributable to Parkview Health System, Inc.	<u>\$ 142,396</u>	<u>\$ 151,052</u>

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Years Ended December 31, 2014 and 2013
(In Thousands)

	Year Ended December 31, 2014		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
Excess of revenues over expenses	\$ 174,446	\$ 142,396	\$ 32,050
Distributions to noncontrolling interests	(26,728)	-	(26,728)
Pension-related changes other than net periodic pension cost	(95,322)	(95,322)	-
Other	(372)	(372)	-
Increase in unrestricted net assets	52,024	46,702	5,322
Temporarily restricted net assets			
Contributions	23,572	23,572	-
Investment gain	52	52	-
Net assets released from restrictions	(1,083)	(1,083)	-
Increase in temporarily restricted net assets	22,541	22,541	-
Increase in net assets	74,565	69,243	5,322
Net assets:			
Beginning of year	1,100,166	1,080,258	19,908
End of year	\$ 1,174,731	\$ 1,149,501	\$ 25,230

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Operations and Changes in Net Assets (Continued)
Years Ended December 31, 2014 and 2013
(In Thousands)

	Year Ended December 31, 2013		
	Total	Controlling Interest	Noncontrolling Interest
Unrestricted net assets			
Excess of revenues over expenses	\$ 173,997	\$ 151,052	\$ 22,945
Distributions to noncontrolling interests	(19,209)	-	(19,209)
Pension-related changes other than net periodic pension cost	65,760	65,760	-
Other	803	118	685
Increase in unrestricted net assets	221,351	216,930	4,421
Temporarily restricted net assets			
Contributions	1,447	1,447	-
Investment loss	(15)	(15)	-
Net assets released from restrictions	(714)	(714)	-
Increase in temporarily restricted net assets	718	718	-
Permanently restricted net assets			
Contributions	1	1	-
Increase in permanently restricted net assets	1	1	-
Increase in net assets	222,070	217,649	4,421
Net assets:			
Beginning of year	878,096	862,609	15,487
End of year	\$ 1,100,166	\$ 1,080,258	\$ 19,908

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013
(In Thousands)

	2014	2013
Cash Flows from Operating Activities		
Increase in net assets	\$ 74,565	\$ 222,070
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Provision for bad debts	119,890	119,125
Depreciation and amortization	83,727	83,870
Undistributed earnings from alternative investments	9,347	(4,573)
Unrealized losses (gains) on interest rate swaps, net	29,943	(34,899)
Amortization of deferred financing costs and discount	(602)	(606)
(Gain) loss from disposal of property and equipment	(863)	422
Pension-related changes other than net periodic pension cost	95,322	(65,760)
Restricted contribution of property	(21,600)	-
Changes in operating assets and liabilities:		
Patient accounts receivable	(122,900)	(127,956)
Inventories	268	(915)
Prepaid expenses and other current assets	6,872	(842)
Trading securities, net	(234,816)	(90,435)
Accounts payable, accrued expenses, and other current liabilities	(8,219)	10,124
Estimated third-party payor settlements	15,669	(2,557)
Accrued pension obligation	(7,130)	1,513
Collateral posted on swaps	-	4,994
Other	18,603	9,741
Net cash provided by operating activities	58,076	123,316
Cash Flows from Investing Activities		
Property and equipment additions	(79,316)	(36,793)
Business acquisitions, net of cash acquired	(1,176)	(705)
Proceeds from sale of property and equipment	4,363	374
Net cash used in investing activities	(76,129)	(37,124)
Cash Flows from Financing Activities		
Principal payments of long-term debt	(23,186)	(21,015)
Proceeds from issuance of long-term debt	33,700	-
Payments of capital lease obligations	(7,297)	(6,007)
Distributions to noncontrolling interests	(26,728)	(19,209)
Other	265	220
Net cash used in financing activities	(23,246)	(46,011)
(Decrease) increase in cash and cash equivalents	(41,299)	40,181
Cash and cash equivalents:		
Beginning of year	106,161	65,980
End of year	\$ 64,862	\$ 106,161
Schedule of Noncash Investing and Financing Activities		
Restricted contribution of property	\$ 21,600	\$ -

See Notes to Consolidated Financial Statements.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 1. Organization

Nature of operations: Parkview Health System, Inc., d/b/a Parkview Health (PH or the Corporation), is a health care system that provides services in northeast Indiana and northwest Ohio. PH's mission is to provide quality health care services to all who entrust their care to PH and to improve the health of the community. Services provided by PH include acute, nonacute, and tertiary care services on an inpatient, outpatient, and emergency basis; managed care contracting, health care diagnostics, and treatment services for individuals and families; home health care; and behavioral health care. The principal operating activities of PH are conducted by wholly owned or controlled affiliates and subsidiaries.

PH is the sole corporate member of Parkview Hospital, Inc. (PVH). PVH comprises one acute care hospital; a behavioral health hospital; and a flagship tertiary care center, Parkview Regional Medical Center, which opened March 17, 2012, on a north campus. In total, PVH offers 649 beds in Fort Wayne, Indiana. PH is the majority owner (60%) of the Orthopaedic Hospital at Parkview North LLC (ORTHO), which is a for-profit joint venture hospital with a large orthopaedic physician group. ORTHO operates the Orthopaedic Hospital, a 37-bed orthopaedic specialty hospital and an ambulatory surgical center, acquired on December 31, 2012. In addition, PH is the sole corporate member of Huntington Memorial Hospital, Inc.; Whitley Memorial Hospital, Inc.; Community Hospital of Noble County, Inc.; and Community Hospital of LaGrange County, Inc., each of which operates an acute care community hospital and related facilities in the northeast region of Indiana. These hospitals are referred to collectively as the Hospital Affiliates.

PH and PVH are the sole members of Managed Care Services, LLC, which provides third-party administrative services to PH's employee health plan and acts as a preferred provider organization network of providers for self-funded employers. Managed Care Services, LLC also assumes risk on a Medicaid managed care program through MDwise. Capitation revenue relating to this program was \$31,865 in 2014 and \$29,637 in 2013, and is recorded in other revenue in the consolidated statements of operations and changes in net assets.

Parkview Physicians Group (PPG), a division of PH, is a multidisciplinary group of employed physicians. PPG was developed to enhance the delivery of quality health care services in northeast Indiana and northwest Ohio. Disciplines represented in PPG include primary care, OB/GYN, orthopaedics, colon and rectal surgery, cardiovascular surgery, general surgery, hospitalists/intensivists, podiatry, psychiatry, urology, cardiology, pulmonology and critical care, gastroenterology, rheumatology, and physiatry.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 1. Organization (Continued)

The legal entity names, marketing brand names, and the acronyms for each significant entity within PH are as follows:

<u>Legal Name</u>	<u>Marketing Brand (d/b/a) Name</u>	<u>Acronym</u>
Parkview Health System, Inc.	Parkview Health, including Parkview Physicians Group	PH and PPG
Parkview Hospital, Inc.	Parkview Regional Medical Center and Parkview Randallia Hospital	PVH
Orthopaedic Hospital at Parkview North, LLC	Parkview Ortho Hospital	ORTHO
Huntington Memorial Hospital, Inc.	Parkview Huntington Hospital	PHH
Whitley Memorial Hospital, Inc.	Parkview Whitley Hospital	PWH
Community Hospital of Noble County, Inc.	Parkview Noble Hospital	PNH
Community Hospital of LaGrange County, Inc.	Parkview LaGrange Hospital	PLH
Managed Care Services, LLC	Managed Care Services	MCS
Parkview Foundation, Inc.	Parkview Foundation	PVHF
Whitley Memorial Hospital Foundation, Inc.	Parkview Whitley Hospital Foundation	PWHF
Community Hospital of Noble County Foundation, Inc.	Parkview Noble Hospital Foundation	PNHF
The Parkview Huntington Hospital Foundation, Inc.	Parkview Huntington Hospital Foundation	PHHF

Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as net patient care service revenue. Other transactions are included with other revenue. Other revenue includes rentals of medical office buildings, capitation revenues, investment income from affiliated foundations, and equity income of unconsolidated affiliates and joint ventures.

Acquisitions: During 2014 and 2013, PH acquired several physician groups for a total purchase price of \$1,176 and \$963, respectively. The groups are included in PPG. The acquisitions were accounted for as business combinations. Goodwill of \$1,157 and \$406 was recognized upon purchase in 2014 and 2013, respectively, which represents the excess of purchase price over identifiable assets and liabilities.

Effective January 1, 2015, PH, through Parkview Wabash Hospital, Inc., acquired Wabash County Hospital, which was renamed Parkview Wabash Hospital (PW). PW is a 25-bed inpatient critical access hospital located in the city of Wabash, Indiana. PW provides critical care, surgery, emergency, cancer treatment, lab and other services. For accounting purposes, this transaction is considered an acquisition under Accounting Standards Codification (ASC) 958-805, *Not-for-Profit Entities: Business Combinations*.

Because no consideration was paid by PH, the acquisition was accounted for as a contribution to PH. Wabash County Hospital's land and buildings, valued at \$21,600, were conveyed to PW on December 31, 2014, and have been recorded as a restricted contribution in the accompanying 2014 consolidated statement of operations and changes in net assets. The remainder of the contribution was recorded with the closing of the transaction effective January 1, 2015. The valuation of the net assets contributed was based on independent appraisals.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 1. Organization (Continued)

As a part of the acquisition agreement, PH is required to transfer \$3,000 to Parkview Wabash Hospital Foundation, Inc., which occurred in 2015. PH is also required to build a new hospital in Wabash at a cost of not less than \$35,000, to be completed by the end of 2019. If construction of the new hospital is not completed by the end of 2019, PH will be required to transfer \$12,000 to the Community Foundation of Wabash County, Inc. Management believes the likelihood of this construction not being completed within this time frame to be remote.

Community Benefits and Charity Care: The Corporation provides programs and services to address the needs of those in the communities it serves with limited financial resources, generally at no or low cost to those being served. Additional services are provided to beneficiaries of governmental programs (principally those relating to the Medicare and Medicaid programs) at substantial discounts from established rates and are considered part of the Corporation's benefit to the communities.

Assistance is also provided as needed to patients and their families for the submission of forms for insurance, financial counseling, and application to the Medicare and Medicaid programs for health service coverage. The costs of providing these programs and services are included in expenses.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. Patients who meet certain criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Records are maintained to identify and monitor the level of charity care provided at the amount of standard charges foregone for services and supplies furnished.

The cost of charity care provided in 2014 and 2013 approximates \$16,018 and \$16,273, respectively. The Corporation estimated these costs by calculating a ratio of cost to gross charges and then multiplying that ratio by the gross uncompensated charges associated with providing care to charity patients. The Corporation also offers a discount for all uninsured patients.

PVH and each of the community hospitals administer community benefit programs for the areas in which they serve. PVH targets \$3,000 (unaudited) annually for community benefit, while the community hospitals each target 10% of their excess of revenues over expenses annually to be designated for community benefit in their respective communities. These funds are controlled by the hospitals, and contributions made as part of their community benefit program are under the direction of their respective Boards of Directors (the Boards). The hospitals have a long tradition of community involvement, and their community benefit programs reflect their commitment and support to their respective communities and counties.

The Corporation and its subsidiaries have a commitment to improving the health of the citizens of the communities served. In all locations, PH has made a concerted effort to identify opportunities to partner with local organizations and to develop initiatives to improve the health of these communities. Health fairs and screenings are common efforts to identify problems before they become serious or life-threatening. Affiliates often partner with local organizations for community education, including the Minority Health Coalition, American Lung Association, SuperShot, YMCA, YWCA, Health Information Link, and American Heart Association. PH provides subsidies for the emergency medical services of the counties where its four community hospitals reside. An association with Fort Wayne Community Schools has provided nursing services, dental care, and physicals to needy children. PH donations support nursing programs at Indiana University-Purdue University of Fort Wayne and the University of St. Francis. Efforts have helped provide health care to the medically underserved through support of the Neighborhood Health Clinic and Matthew 25. PH affiliates have supported homeless shelters, women's crisis shelters, safety councils, senior transportation programs, and poison control programs. Awareness and prevention programs dealing with safety, trauma, drugs, and alcohol are projects of PH.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 2. Significant Accounting Policies

Principles of consolidation: The consolidated financial statements include the accounts of PH and all majority-owned or majority-controlled subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The equity method of accounting is used for investments in joint ventures, partnerships, and companies where ownership is 20% to 50% and PH has significant influence. For the years ended December 31, 2014 and 2013, PH's share of income recorded using the equity method approximated \$2,074 and \$2,322, respectively, and is recorded as other revenue in the consolidated statements of operations and changes in net assets.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents: Investments in highly liquid debt instruments with a maturity of three months or less when purchased, excluding amounts classified with Board-designated investments, are considered cash equivalents. The Corporation routinely invests in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risk include the Corporation's cash and cash equivalents. The Corporation places its cash and cash equivalents with institutions of high credit quality. However, at certain times, such cash and cash equivalents may be in excess of government-provided insurance limits.

Patient accounts receivable, estimated third-party payor settlements, and net patient care service revenue: Patient accounts receivable and net patient care service revenue are reported at the estimated net realizable amounts due from patients, third-party payors (including insurers), and others for services rendered and include estimated retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are settled and are no longer subject to such audits, reviews, and investigations.

The Corporation grants credit to patients without requiring collateral or other security for the delivery of health care services. However, assignment of benefit payments payable under patients' health insurance programs and plans (e.g., Medicare, Medicaid, health maintenance organizations, and commercial insurance policies) is routinely obtained, consistent with industry practice.

The Corporation's estimation of the allowance for bad debts is based primarily upon the type and age of the accounts receivable and the effectiveness of collection efforts. PH's policy is to reserve a portion of all self-pay receivables, including amounts due from the uninsured and amounts related to copayments and deductibles, as charges are recorded. Accounts receivable balances are reviewed monthly as to the effectiveness of PH's reserve policies and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following: historical write-off and collection experience using a hindsight, or look-back, approach; revenue and volume trends by payor, particularly the self-pay components; changes in the aging and payor mix of accounts receivable, including increased focus on accounts due from the uninsured and accounts that represent copayments and deductibles due from patients; cash collections as a percentage of net patient revenue less bad debt expense; trending of days' revenue in accounts receivable; and various allowance coverage statistics. Accounts receivable are charged to the allowance for bad debts when they are deemed uncollectible.

Inventories: Inventories consist primarily of drugs and supplies, are stated at the lesser of cost or market, and are valued using the average cost method.

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 2. Significant Accounting Policies (Continued)

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Investments in hedge funds are recorded under the equity method of accounting, based on information provided by the funds' managers. Generally, the net asset value of these funds (NAV) reflects the contributed capital, as well as an allocated share of the underlying limited partnership's realized and unrealized gains and losses. Commingled investments are funds formed from the pooling of investments under common management. Unlike a mutual fund, these investments are not a registered investment company and, therefore, are exempt from registering with the Securities and Exchange Commission.

Investment income or loss (including realized gains and losses on the sale of investments, unrealized gains and losses on investments, and changes in the carrying value of hedge funds), with the exception of investment income or loss, as defined, related to the various PH foundations, is reported as other nonoperating income (expense) unless the income is restricted by donor or law. Investment income or loss apportioned to the foundations is reported in other operating revenue. The cost of securities sold is based on the specific-identification method.

Board-designated funds represent certain funds from operations and other sources designated by the Board to be used for future capital asset replacement, for the retirement of long-term debt, and for other purposes. The Board retains control over these investments and may, at its discretion, subsequently designate the use of these investments for other purposes. Funds are invested in accordance with Board-approved policies, which, among other matters, require diversification of the investment portfolio, establish credit risk parameters, and limit the investment in any single organization. Substantially all investment transactions are managed by professional investment managers and are held in custody at a financial institution. All Board-designated funds are classified as trading securities, with the exception of land held as an investment, alternative investments and private investment funds.

Investment securities purchased and sold are reported based on the trade date. Due to the period lag between the trade and settlement date, PH reports receivables for securities sold but not settled and reports liabilities for securities purchased but not settled. These receivables and payables are settled from within the investment portfolio and are presented on a net basis within investments in the consolidated balance sheets.

Property and equipment: Property and equipment are initially stated at cost or, if donated, at fair market value at the date of donation. Interest costs incurred as part of the related construction are capitalized during the period of construction. Depreciation is provided on a straight-line basis over the expected useful lives of the various classes of assets. Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 years for buildings, and 3 to 15 years for equipment. Property and equipment under capital leases are stated at the lower of the present value of the minimum lease payments or the fair value of the underlying asset and are generally amortized over the lease term. Amortization of capital leased assets is included within depreciation expense.

The costs of obtaining or developing internal-use software, including external direct costs for materials and services and directly related payroll costs, are capitalized. Amortization begins when the internal-use software is ready for its intended use. The software costs are amortized over the estimated useful lives of the software. The estimated useful lives range from 5 to 7 years. Costs incurred during the preliminary project stage and post-implementation stage, as well as maintenance and training costs, are expensed as incurred.

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 2. Significant Accounting Policies (Continued)

During the year ended December 31, 2014, PH integrated New Markets Tax Credits (NMTTC) into the financing of the Warsaw project. Due to the location of the property and the measurable economic and community benefits of the project, PH qualified for this special federal program.

Goodwill: PH records goodwill arising from a business combination as the excess of purchase price over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed. PH annually reviews, as of the first day of the fourth quarter, the carrying value of goodwill for impairment. In addition, a goodwill impairment assessment is performed if an event occurs or circumstances change that would make it more likely than not that the fair value of a reporting unit is below its carrying amount. Management has determined that the Corporation is the reporting unit at which fair value is measured. If such circumstances suggest that the recorded amounts of goodwill cannot be recovered, the carrying value is reduced to fair value. If the carrying value of goodwill is impaired, a material charge may be incurred to results of operations. No goodwill impairment was required in 2014 or 2013.

Intangible assets: Costs allocated to customer relationships and other intangible assets are based on their fair value at the date of acquisition. The cost of intangible assets is amortized on a straight-line basis over the assets' estimated useful life ranging from 3 to 20 years. Amortization expense recorded in the consolidated statements of operations and changes in net assets was \$1,275 and \$1,260 in 2014 and 2013, respectively. There are no indefinite-lived intangible assets (see Note 3).

Impairment: Fixed assets and amortizable intangible assets are reviewed for impairment whenever conditions indicate that the carrying amount may not be recoverable. In evaluating the recoverability of long-lived assets, such assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Such impairment tests compare estimated undiscounted cash flows to the recorded value of the asset. If an impairment is indicated, the asset is written down to its fair value, and a corresponding loss is recorded.

Derivative financial instruments: As part of its debt management program, the Corporation has entered into several interest rate swap arrangements. Derivative instruments are recognized as either assets or liabilities in the consolidated balance sheets at fair value. The Corporation does not account for any of its interest rate swap agreements as hedges, and accordingly, changes in the fair value of interest rate swap agreements are recorded in the consolidated statements of operations and changes in net assets as nonoperating income (expense). Also included in other nonoperating income (expense) in the consolidated statements of operations and changes in net assets are net settlement payments on interest rate swaps.

Employee benefit plans: PH's retirement program, called the Trusted Choices Retirement Program, offers a defined-contribution plan. Contributions to the defined contribution plan are based upon benefit service points and a combination of age and years of benefit service. Contributions are calculated as a percentage of eligible pay. In addition, active employees at December 31, 2004, were provided a one-time choice to remain in PH's defined benefit plan or freeze their defined benefit plan benefits and move to the employer-funded defined contribution plan. Definitions of eligibility, pay, benefit service, and vesting under the defined benefit plan are the same as the defined contribution plan.

In addition to participation in the defined-contribution plan and/or defined benefit plan, eligible employees are provided a voluntary opportunity to participate in a 403(b) or a 401(k) plan based upon the tax status of the employing corporation. The 403(b) and 401(k) plans have match provisions. Benefits for eligible employees are based on the employee's compensation.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 2. Significant Accounting Policies (Continued)

Income taxes: The Internal Revenue Service has determined that the Corporation and certain affiliated entities are tax-exempt organizations as defined in Section 501(c)(3) of the Internal Revenue Code. Certain subsidiaries of the Corporation are taxable entities, the tax expense and liabilities of which are not material to the consolidated financial statements.

The Corporation and its tax-exempt affiliated entities each file a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to health systems include such matters as the tax-exempt status of each entity, the continued tax-exempt status of bonds, the nature, characterization and taxability of joint venture income, and various positions relating to potential sources of unrelated business taxable income (reported on Form 990T). As of December 31, 2014 and 2013, there are no unrecognized tax benefits resulting from uncertain tax positions.

Forms 990 and 990T filed by the Corporation and its tax-exempt affiliated entities are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms 990 and 990T filed by the Corporation and its tax-exempt affiliated entities are no longer subject to examination for the year 2010 and prior.

Performance indicator: Excess of revenues over expenses as reflected in the accompanying consolidated statements of operations and changes in net assets includes operating income and nonoperating income and losses. Contributions of long-lived assets, pension-related changes other than net periodic pension cost, net assets released from restriction for acquisition of long-lived assets, and distributions to noncontrolling interests are excluded from excess of revenues over expenses.

Operating and nonoperating income (expense): Activities directly associated with the furtherance of PH's mission are considered operating activities. Other activities that result in gains or losses peripheral to PH's primary mission are considered to be nonoperating. Nonoperating activities include interest, dividends, and realized gains/losses on sales of investments, net; unrealized gains/losses on investments, net; interest expense; realized and unrealized gains/losses on interest rate swaps, net; and other.

Temporarily and permanently restricted net assets: Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity. Investment return is allocated to unrestricted and temporarily restricted net assets based on the respective net asset balances and the wishes of the donor. The net assets are generally restricted for indigent and other patient services, medical education and research programs, facilities, medical supplies, and equipment. Temporarily restricted net assets at December 31, 2014 include land and buildings of Wabash County Hospital (see Acquisitions in Note 1).

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the accompanying consolidated statements of operations and changes in net assets as net assets released from restriction and other revenue (if used for operating purposes) or other changes in unrestricted net assets (if used for the acquisition of long-lived assets). Expirations of donor restrictions related to long-lived assets are recognized when the long-lived asset is placed in service.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 2. Significant Accounting Policies (Continued)

Distributions to noncontrolling interests: Certain consolidated subsidiaries of PH have members who hold a noncontrolling ownership interest. Upon authorization of the Boards of those subsidiaries, cash available for distribution, or a portion thereof, arising from operations or other sources may be distributed to PH and the noncontrolling members ratably in accordance with the members' respective membership interests.

Electronic health records incentive payments: The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health records (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments. The Corporation's compliance with the meaningful use criteria is subject to audit by the Federal government. The Corporation accounts for EHR incentive funds using the grant accounting model. Under this model, the Corporation records EHR incentive revenue when it is reasonably assured that it will meet the meaningful use criteria for the required reporting period and that the grant will be received.

Recent accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for the Corporation's December 31, 2017 consolidated financial statements. The Corporation has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no effect on previously reported excess of revenue over expenses or changes in net assets.

Note 3. Goodwill and Intangible Assets

The following tables summarize goodwill and other intangibles as of and for the years ended December 31, 2014 and 2013:

Goodwill balance at December 31, 2012	\$	75,003
Acquisitions		406
Goodwill balance at December 31, 2013		<u>75,409</u>
Acquisitions		1,157
Goodwill balance at December 31, 2014	\$	<u><u>76,566</u></u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 3. Goodwill and Intangible Assets (Continued)

	2014		2013	
	Original Amount	Accumulated Amortization	Original Amount	Accumulated Amortization
Intangible assets	\$ 8,626	\$ 3,281	\$ 8,626	\$ 2,006

Amortization expense of \$1,275 and \$1,260 was recognized in 2014 and 2013, respectively, and is included in depreciation and amortization expense in the consolidated statements of operations and changes in net assets.

The remaining intangible asset balances over the next five years based on estimated amortization are as follows:

Year Ending December 31:	
2015	\$ 4,055
2016	2,750
2017	1,430
2018	95
2019	-

Note 4. Fair Value Measurement

ASC 820, *Fair Value Measurement*, defines fair value and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of PH's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market funds, fixed income and equity instruments, and interest rate swap contracts. The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows:

- Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.
- Level 2. Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date.
- Level 3. Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources. In evaluating the significance of inputs, management generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or in the aggregate, represent more than 5% of the fair value of the assets or liabilities. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value based on assumptions about what market participants would use in pricing the asset or liability.

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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 4. Fair Value Measurement (Continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2014:

	Total	Level 1	Level 2	Level 3
Assets				
Short-term investments:				
Mutual funds	\$ 311	\$ 311	\$ -	\$ -
Corporate bonds	39,905		39,905	-
Total short-term investments	<u>\$ 40,216</u>	<u>\$ 311</u>	<u>\$ 39,905</u>	<u>\$ -</u>
Investments:				
U.S. government and agency obligations	\$ 60,838	\$ 55,703	\$ 5,135	\$ -
Corporate bonds	33,056	-	33,056	-
Mortgage- and asset-backed securities	23,254	-	23,254	-
Domestic equities	59,761	59,761	-	-
International equities	40,434	33,205	7,229	-
Commingled funds	92,102	-	92,102	-
Mutual funds:				
Equity type	80,226	80,226	-	-
Balanced type	45,078	45,078	-	-
Fixed income type	93,388	93,388	-	-
Total investments at fair value	528,137	<u>\$ 367,361</u>	<u>\$ 160,776</u>	<u>\$ -</u>
Investments not at fair value:				
Cash and short-term investments	19,548			
Real estate investment trust	25,329			
Real estate investment fund	23,227			
Hedge funds	121,758			
Real estate held for investment	15,668			
Amounts due from brokers	(744)			
Total investments	<u>\$ 732,923</u>			
Deferred compensation plan:				
Assets - mutual funds	\$ 8,588	\$ 8,588	\$ -	\$ -
Assets - guaranteed income fund	4,866	-	-	4,866
Interest rate swaps	3,564	-	3,564	-
	<u>\$ 17,018</u>	<u>\$ 8,588</u>	<u>\$ 3,564</u>	<u>\$ 4,866</u>
Liabilities				
Interest rate swaps	\$ (79,288)	\$ -	\$ -	\$ (79,288)

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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 4. Fair Value Measurement (Continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2013:

	Total	Level 1	Level 2	Level 3
Assets				
Short-term investments:				
Mutual funds	\$ 109	\$ 109	\$ -	\$ -
Corporate bonds	12,536	-	12,536	-
Total short-term investments	<u>\$ 12,645</u>	<u>\$ 109</u>	<u>\$ 12,536</u>	<u>\$ -</u>
Investments:				
U.S. government and agency obligations				
	\$ 42,616	\$ 36,845	\$ 5,771	\$ -
Corporate bonds	23,228	-	23,228	-
Mortgage- and asset-backed securities	13,701	-	13,701	-
Domestic equities	45,987	45,987	-	-
International equities	29,367	22,668	6,699	-
Commingled funds	65,255	-	65,255	-
Mutual funds:				
Equity type	62,881	62,881	-	-
Balanced type	31,294	31,294	-	-
Fixed income type	58,928	58,875	53	-
Total investments at fair value	<u>373,257</u>	<u>\$ 258,550</u>	<u>\$ 114,707</u>	<u>\$ -</u>
Investments not at fair value:				
Cash and short-term investments	55,700			
Real estate investment trust	22,626			
Hedge funds	63,485			
Real estate held for investment	19,940			
Amounts due to brokers	17			
Total investments	<u>\$ 535,025</u>			
Deferred compensation plan:				
Assets - mutual funds	\$ 8,830	\$ 8,830	\$ -	\$ -
Assets - guaranteed income fund	5,588	-	-	5,588
Interest rate swaps	2,767	-	2,767	-
Collateral from securities lending program - cash and short-term investments	1,309	-	1,309	-
	<u>\$ 18,494</u>	<u>\$ 8,830</u>	<u>\$ 4,076</u>	<u>\$ 5,588</u>
Liabilities				
Interest rate swaps	<u>\$ (48,506)</u>	<u>\$ -</u>	<u>\$ (48,506)</u>	<u>\$ -</u>
Obligations to return collateral under securities lending program	<u>\$ (2,324)</u>	<u>\$ -</u>	<u>\$ (2,324)</u>	<u>\$ -</u>

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 4. Fair Value Measurement (Continued)

Certain of PH's investments are made through alternative investments and private investment funds, primarily partnership trusts. PH accounts for its ownership in these funds under the equity method, and as a result, hedge fund, real estate investment trust, and real estate investment fund investments totaling \$170,314 and \$86,111 as of December 31, 2014 and 2013, respectively, are excluded from the fair value disclosure. Deferred compensation plan assets are included in other assets in the consolidated balance sheets. PH held real estate for investment purposes of \$15,668 and \$19,940 as of December 31, 2014 and 2013, which is accounted for at cost and assessed for impairment when indicators exist. The real estate is written down to fair value as estimated by third-party valuation experts when impairment exists (which are nonrecurring fair value measurements using Level 3 inputs), with losses recorded in realized gains (losses) on investments in the consolidated statements of operations and changes in net assets. Following is a description of the Corporation's valuation methodologies for assets and liabilities measured at fair value, not classified as Level 1. The fair values of commingled funds are based on either the fair value of the underlying investments of the fund, as determined by the fund, or on the ownership interest in the NAV per share or its equivalent, of the respective fund. The fair values of the interest rate swap contracts are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved. The valuations reflect a credit spread adjustment to the London Interbank Offered Rate (LIBOR) discount curve in order to reflect the credit value adjustment for nonperformance risk. The credit valuation adjustments for asset and liability position interest rate swap contracts are internally valued with the assistance of a third party using other comparably rated entities' bonds priced in the market. Depending on the significance of the credit spread adjustment to the overall fair value of the interest rate swap, the instrument is included in Level 2 or Level 3.

The carrying values for cash, patient and other accounts receivable, accounts payable and accrued expenses, estimated third-party payor settlements, payable under securities lending agreements, and certain other current assets and liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments.

The carrying value of the Corporation's tax-exempt variable rate and other long-term debt approximates fair value. The fair value of the fixed rate debt (all of which is tax-exempt) is estimated using discounted cash flow analyses based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements, and falls in Level 2 of the fair value hierarchy. The fair value of the Corporation's tax-exempt fixed rate debt at December 31, 2014 and 2013, was \$336,511 and \$322,747, respectively, compared to book value of \$267,355 and \$278,010, respectively. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 4. Fair Value Measurement (Continued)

The following table is a rollforward of the consolidated balance sheet amounts for financial instruments classified by the Corporation within Level 3 of the valuation hierarchy defined above:

	Financial Liabilities - Interest Rate Swaps
Fair value at January 1, 2013	\$ (87,043)
Sales or retirements	416
Realized and unrealized gains/losses on interest rate swaps, net	38,121
Transfers out of Level 3 to Level 2	48,506
Fair value at December 31, 2013	-
Sales or retirements	-
Realized and unrealized gains/losses on interest rate swaps, net	-
Transfers out of Level 2 to Level 3	(79,288)
Fair value at December 31, 2014	<u>\$ (79,288)</u>

PH transfers assets and liabilities in and/or out of Level 3 as significant inputs, including performance attributes, used for the fair value measurement become observable or unobservable. At December 31, 2013, the credit valuation adjustment of \$1,821 associated with the liability position interest rate swap contracts became insignificant relative to the fair value on the same swaps and resulted in the change in classification from Level 3 at December 31, 2012, to Level 2 at December 31, 2013. At December 31, 2014, the credit valuation adjustment of \$4,327 associated with the liability position interest rate swap contracts became significant relative to the fair value on the same swaps and resulted in the change in classification from Level 2 at December 31, 2013, to Level 3 at December 31, 2014.

Note 5. Net Patient Care Service Revenue and Accounts Receivable

Certain agreements with third-party payors provide for payments at amounts different from established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare – Certain inpatient care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Certain services are paid based on cost reimbursement methodologies subject to certain limits. Physician services are reimbursed based upon established fee schedules. Outpatient services are reimbursed using prospectively determined rates.

Medicaid – Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

Other – Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Differences between established rates and payment under these agreements are reflected as contractual allowances.

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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 5. Net Patient Care Service Revenue and Accounts Receivable (Continued)

Medicare and Medicaid revenue accounted for approximately 23% and 11%, respectively, of patient service revenue (net of contractual allowances and discounts) for the year ended December 31, 2014, and approximately 28% and 8%, respectively, for the year ended December 31, 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The Corporation believes that it is in substantial compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of wrongdoing. While no such regulatory inquiries have been made, compliance with health care industry laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimated settlements could change. It is also reasonably possible that recorded settlements could change by a material amount in the near term. PH received Medicare and Medicaid settlements and resolutions on prior year filed and appealed cost reports and other matters, which increased net patient care service revenue by \$3,503 and \$13,807 in 2014 and 2013, respectively.

The Corporation has determined, based on an assessment at the reporting-entity level, that the patient care service revenue is primarily recorded prior to assessing the patient's ability to pay, and as such, the entire provision for bad debts is recorded as a deduction from net patient care service revenue in the accompanying consolidated statements of operations and changes in net assets.

The composition of net patient care service revenue (net of contractual allowance and discounts, but before the provision for bad debts) by payor for the years ended December 31 is as follows:

	2014	2013
Medicare	\$ 317,679	\$ 328,463
Medicaid	151,246	113,279
Managed care and other insurers	773,234	649,501
Uninsured	107,444	80,622
Other	38,145	31,427
	<u>\$ 1,387,748</u>	<u>\$ 1,203,292</u>

The allowance for bad debts was approximately \$68,157 and \$68,535 as of December 31, 2014 and 2013, respectively. These balances as a percentage of accounts receivable, net of contractual adjustments and other discounts, were approximately 29% as of December 31, 2014 and 2013. The slight decrease in the allowance for bad debts during 2014 was primarily the result of a decrease in write-off experience and improved net patient care service revenue collections. A summary of activity in the allowance for bad debts follows:

	Balance, Beginning of Year	Provision	Accounts Written Off, Net of Recoveries and Other	Balance, End of Year
Allowance for bad debts:				
December 31, 2013	\$ 62,168	\$ 119,125	\$ (112,758)	\$ 68,535
December 31, 2014	68,535	119,890	(120,268)	68,157

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Notes to Consolidated Financial Statements
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Note 5. Net Patient Care Service Revenue and Accounts Receivable (Continued)

Components of patient accounts receivable, net, at December 31, 2014 and 2013, include Medicare, 20% and 22%, respectively; Medicaid, 2% and 3%, respectively; commercial insurers, 65% and 64%, respectively; and other, 13% and 11%, respectively. One managed care payor represented 24% of patient accounts receivable at December 31, 2014 and 2013.

Note 6. Investments

PH's investments are exposed to various kinds and levels of risk. Fixed income securities expose PH to interest rate risk, credit risk, and liquidity risk. As interest rates change, the value of many fixed income securities is affected, particularly those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligation. Liquidity risk is affected by the willingness of market participants to buy and sell given securities.

Equity securities expose PH to market risk, performance risk, and liquidity risk. Market risk is the risk associated with major movements of the equity markets, both foreign and domestic. Performance risk is the risk associated with a particular company's operating performance. Liquidity risk, as previously defined, tends to be higher for international equities and small capitalization equity companies.

Hedge funds also expose PH to market, performance, and liquidity risk. Hedge funds are not necessarily readily marketable. The funds often employ complex strategies, including short sales on securities and trading on futures contracts, options, foreign currency contracts, other derivative instruments, and private equity investments, and the composition of the individual investments within these funds is not readily determinable. The hedge fund investments are partnership interests in limited partnerships. These investments are not publicly traded, and the net asset value, or NAV, is based upon information provided by the fund manager. The hedge funds have restrictions on the timing of withdrawals ranging from one to three months, which may reduce liquidity. As of December 31, 2014, \$0 was committed for the purchase of additional hedge funds.

As of December 31, 2014, \$10,000 was committed for the purchase of additional commingled funds.

The real estate investments are recorded at cost, less impairment charges recognized to date, and present valuation risks as they are not actively traded. Additionally, these investments present a concentration of risk, as they are held within the same geographic region, northeast Indiana.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 6. Investments (Continued)

Composition

The composition of investment return recognized in the consolidated statements of operations and changes in net assets and its presentation are as follows:

	2014	2013
Investment income:		
Unrealized (losses) gains on investments, net	\$ (13,956)	\$ 30,899
Dividend and interest income	10,176	5,182
Net realized gains on the sale of investments	23,009	8,652
Total investment return	<u>\$ 19,229</u>	<u>\$ 44,733</u>
Presentation:		
Other revenue	\$ 589	\$ 302
Temporarily restricted – investment gain (loss)	52	(15)
Interest, dividends, and realized gains on sales of investments, net	32,486	13,321
Unrealized (losses) gains on investments, net	(13,898)	31,125
Total investment return	<u>\$ 19,229</u>	<u>\$ 44,733</u>

Securities lending

The Corporation participated in securities lending transactions whereby a portion of its investments were loaned to a broker in return for cash, letters of credit, or U.S. government securities from the broker as collateral for securities loaned. The Corporation participated in a program with its trustee to reinvest the cash collateral received in other short-term investments. The Corporation earned income on the collateral pledged while related securities were outstanding but had risk of loss on the collateral received due to the reinvestment program. The Corporation ceased participating in securities lending transactions during 2014. In the accompanying consolidated balance sheets, the fair value of securities purchased with the cash collateral held for loaned marketable securities was \$1,309 at December 31, 2013, and is reported as a current asset. A payable for repayment of cash collateral received, upon settlement of the lending arrangement, is reported as payable under securities lending agreement of \$2,324 at December 31, 2013.

Note 7. Property and Equipment

The costs of property and equipment consist of the following:

	2014	2013
Land and improvements	\$ 129,807	\$ 120,099
Buildings	799,283	749,519
Equipment	691,999	677,705
Construction in progress and items not yet placed into service	19,510	8,197
	<u>\$ 1,640,599</u>	<u>\$ 1,555,520</u>

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Notes to Consolidated Financial Statements
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Note 7. Property and Equipment (Continued)

The cost of commitments to complete construction-in-progress projects is estimated to be \$39,141 at December 31, 2014. Depreciation expense recorded in the consolidated statements of operations and changes in net assets was \$75,181 and \$75,543 at December 31, 2014 and 2013, respectively.

Amortization expense on leasehold improvements recorded in the consolidated statements of operations and changes in net assets was \$1,998 and \$1,972 in 2014 and 2013, respectively. Amortization expense on other intangibles recorded in the statements of operations and changes in net assets was \$1,275 and \$1,260 in 2014 and 2013, respectively. Amortization expense on capital leases recorded in the consolidated statements of operations and changes in net assets was \$5,273 and \$5,095 in 2014 and 2013, respectively. Assets under capital leases at December 31, 2014 and 2013, were \$29,117 and \$28,483, respectively. Accumulated amortization on assets under capital leases at December 31, 2014 and 2013, was \$14,180 and \$9,573, respectively.

Note 8. Long-Term Debt

Long-term debt consists principally of tax-exempt bonds as follows:

	Interest rates as of December 31, 2014	2014	2013
Tax-exempt, variable rate bonds:			
Series 2010A	0.99%	\$ 28,000	\$ 28,000
Series 2009BCD	0.01%-0.03%	223,665	223,665
Series 2007	0.03%	20,380	21,115
Series 2001	0.18%-0.21%	13,700	14,975
Tax-exempt, fixed rate serial and term bonds:			
Series 2012A	2.0%-5.0%	82,440	83,695
Series 2009A	5.0%-5.75%	184,915	194,315
Various notes to banks	Various	73,326	49,881
Mortgages on real estate	Various	11,467	11,733
Other	Various	113	113
Capital leases	Various	10,538	15,477
		648,544	642,969
Less unamortized original issue premium/discount, net		(5,014)	(5,602)
		653,558	648,571
Less current portion		29,851	27,515
		<u>\$ 623,707</u>	<u>\$ 621,056</u>

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(Dollars in Thousands)

Note 8. Long-Term Debt (Continued)

The scheduled maturities and mandatory redemptions of long-term debt, assuming successful remarketing of variable rate bonds, and renewal of letter of credit agreements, as discussed below, are as follows:

Year Ending December 31:	
2015	\$ 29,851
2016	26,642
2017	34,176
2018	18,809
2019	37,825
Thereafter	501,241
	<u>\$ 648,544</u>

Total interest paid was \$19,506 and \$20,348 in 2014 and 2013, respectively. Interest cost of \$213 and \$3 in 2014 and 2013, respectively, was capitalized as part of the cost of construction.

Obligations through use of Master Indenture

PH and PVH have issued tax-exempt revenue, revenue refunding, private placement, auction revenue, and variable rate demand bonds through the use of a Master Indenture, as amended and supplemented. The various agreements require PH and PVH not to incur indebtedness secured by an encumbrance and not to mortgage certain facilities except under certain circumstances. The agreements require the maintenance of debt service coverage ratios and contain certain other restrictive covenants.

On May 24, 2012, PH and PVH issued \$85,115 of fixed rate tax-exempt revenue bonds (the Series 2012A Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to refund all of the remaining Series 1998 Bonds, legally defease \$37,335 of the 2009A Bonds, and pay financing costs. Interest on the Series 2012A Bonds is paid semiannually. The Series 2012A Bonds mature through May 2029.

On May 4, 2010, PH arranged for the issuance of \$28,000 of variable rate, tax-exempt private placement bonds (the Series 2010A Bonds) using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds and certain other funds of PH were used to finance the construction and furnishing of the new Parkview Whitley Hospital. The Series 2010A Bonds bear interest monthly, and interest is paid monthly. The Series 2010A Bonds mature in May 2040, but contain a five year put option dated May 2017. The put option allows for a renewal for an additional term. The request for put option renewal can be exercised no sooner than fourteen months prior to the existing May 2014 put dates of the bonds.

In August 2009, PH and PVH issued \$265,530 of fixed rate, tax-exempt revenue bonds (the Series 2009A Bonds) and \$223,665 of variable rate, tax-exempt revenue bonds (the Series 2009B Bonds, the Series 2009C Bonds, and the Series 2009D Bonds), using the Master Indenture and through the Indiana Finance Authority. The proceeds of the bonds were used to refund all but \$19,425 of the outstanding Indiana Health Facility Financing Authority Revenue Bonds, Series 2001A, 2001B, and 2001C (collectively, the Series 2001 Bonds); refund all of the outstanding Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2005A and 2005B (collectively, the Series 2005 Bonds); pay certain costs related to the termination of a portion of swaps related to the Series 2001 Bonds; pay costs of issuance and costs of refunding; and finance, refinance, or reimburse certain costs for capital expenditures at the PVH facilities. Interest on the Series 2009A Bonds is paid semiannually. The Series 2009BCD Bonds bear interest weekly, and interest is paid monthly. The Series 2009A Bonds mature through May 2031. The Series 2009BCD Bonds mature through November 2039.

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Notes to Consolidated Financial Statements
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Note 8. Long-Term Debt (Continued)

PH entered into two direct-pay Letter of Credit agreements (the LOCs) issued by PNC Bank (Series 2009C Bonds) and Wells Fargo Bank (Series 2009B&D Bonds) to enhance the marketability of the bonds. Under the terms of the LOCs, if bonds are not successfully remarketed and thereby purchased by the banks, the principal maturities of the bonds purchased are accelerated over the subsequent three-year period commencing at least one year and one day from the draw on the LOC, and PH would pay a defined rate, based on a formula in the agreements, at a minimum rate of 7.0% for the first 180 days after bank purchase, and 8.0% thereafter. The current LOCs expire August 26, 2017. At December 31, 2014, all bonds had been successfully remarketed.

On March 15, 2007, PLH issued \$24,930 of adjustable rate, tax-exempt revenue bonds (the Series 2007 Bonds). These bonds were issued through the Indiana Health and Education Facility Financing Authority. The proceeds of the Series 2007 Bonds and certain other funds of PLH were used to finance the construction and furnishing of a new hospital facility and to pay financing costs. The Series 2007 Bonds bear interest at a weekly rate, and interest is paid monthly. The Series 2007 Bonds are secured by an irrevocable direct-pay LOC issued by PNC Bank that matures on August 26, 2017. This LOC has a maximum rate of 15%. At December 31, 2014, all bonds had been successfully remarketed. The Series 2007 Bonds mature through March 2032.

In November 2001, PH and PVH issued \$220,000 of variable rate, tax-exempt auction revenue bonds (the Series 2001 Bonds) using the Master Indenture and through the Indiana Health Facility Financing Authority. These Series 2001 Bonds auction every 28 days. The bonds have a maximum rate of 15%. Beginning in February 2008 and continuing through December 31, 2014, PH's Series 2001 Bonds failed to attract sufficient bids to be remarketed, and have not been successfully remarketed since. As a result of the failed auctions, interest rates are set based upon a formula contained in the bond documents. The interest rate formula is based upon the 7-day AA Composite Commercial Paper rate times a factor. This factor can vary from 125% to 225%, depending upon the credit rating of the bond. The bond rating is equal to the rating of either the insurer of the debt or the issuer, whichever is higher. At December 31, 2014 and 2013, the factor was 175%. The Series 2001 Bonds are secured by a financial guaranty insurance policy provided by Ambac Assurance Corporation (Ambac). Ambac is rated Caa2 by Moody's, while PH has retained its Moody's rating of A1. The Series 2001 Bonds mature through November 2031.

Term loan

On December 31, 2012, the ONE surgery center acquisition was completed and the transaction was financed through execution of a fully amortizable five-year loan with a bank in the amount of approximately \$37,900. The loan has a floating rate with interest computed monthly based on the 30-day LIBOR plus 160 basis points. The loan is collateralized by all personal property assets of Orthopaedic Hospital at Parkview North, LLC.

Debt guarantee

At December 31, 2014 and 2013, the Corporation had guaranteed approximately \$2,422 and \$2,402, respectively, of certain outstanding debt obligations of unconsolidated entities. If the unconsolidated entities default on their debt obligation, the Corporation would then be responsible for the obligation. At December 31, 2014 and 2013, the Corporation has no amounts accrued related to these guarantees.

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Note 9. Interest Rate Swaps and Other Derivatives

PH uses a combination of interest rate swap agreements with the objective to mitigate the impact interest rate fluctuations have on its interest payments. PH uses fixed payor, fixed spread basis, fixed receiver, and forward fixed payor contracts entered into with various third parties. Interest rate swap contracts between PH and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk. This is the risk that contractual obligations of the counterparties will not be fulfilled. Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Counterparty credit risk is managed by requiring high credit standards for PH's counterparties. The counterparties to these contracts are financial institutions that carry investment-grade credit ratings. The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk. PH does not anticipate nonperformance by its counterparties. The interest rate swap agreements require PH to post collateral if the liability balance, depending on the counterparty, is greater than \$15,000 to \$30,750. No collateral was required to be posted by PH at December 31, 2014 and 2013. PH's policy is to present the collateral on a gross basis in the consolidated balance sheets.

The following table is a summary of the outstanding positions under these interest rate swap agreements at December 31:

Expiration Date	PH Pays	PH Receives	Notional Amount	
			2014	2013
2020-2031	3.47% - 3.71% ¹	67% of one-month LIBOR	\$ 34,850	\$ 36,125
2033	3.49% ¹	62.4% of one-month LIBOR + 0.29% margin	75,000	75,000
2028-2033	3.26% - 3.49% ²	62.4% of one-month LIBOR + 0.29% margin	88,175	92,190
2016	BMA/SIFMA Index ²	3.81%–4.0%	30,000	30,000
2037	3.81% ¹	61.8% of one-month LIBOR +0.31% margin	147,150	147,955
2025	BMA/SIFMA Index ³	68% of one-month LIBOR + 0.37%–0.52% margin	120,000	180,000
			<u>\$ 495,175</u>	<u>\$ 561,270</u>

⁽¹⁾ The objective of these interest rate swaps is to mitigate interest rate fluctuations and synthetically fix certain variable rate exposure.

⁽²⁾ The objective of these interest rate swaps is to create a basis swap.

⁽³⁾ The objective of this interest rate swap is to take advantage of yield curve differences and mitigate risk on future bond offerings. This interest rate swap is not associated with outstanding debt.

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Notes to Consolidated Financial Statements
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Note 9. Interest Rate Swaps and Other Derivatives (Continued)

The fair value of derivative instruments is as follows:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Classification	December 31	
		2014	2013
Interest rate swap agreements	Interest rate swaps (Other assets)	\$ 3,564	\$ 2,767
Interest rate swap agreements	Interest rate swaps (Noncurrent liabilities)	(79,288)	(48,506)
		<u>\$ (75,724)</u>	<u>\$ (45,739)</u>

The effects of derivative instruments on the consolidated statements of operations and changes in net assets are as follows:

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Gain (Loss) in Derivatives Recognized in Excess of Revenue Over Expenses	
		December 31	
		2014	2013
Interest rate swap agreements - unrealized (losses) gains	Unrealized (losses) gains on interest rate swaps, net	\$ (29,943)	\$ 34,965
Interest rate swap agreements - settlement payments	Other - nonoperating	(8,565)	(9,015)
		<u>\$ (38,508)</u>	<u>\$ 25,950</u>

Interest rate swap settlement payments, net were \$8,640 and \$9,015 in 2014 and 2013, respectively, of which \$75 and \$0 was capitalized as part of the cost of construction in 2014 and 2013, respectively.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 10. Pension Plans

Defined benefit pension plan

The Corporation sponsors a noncontributory defined benefit pension plan (the Plan) covering eligible employees employed prior to January 2005. Plan benefits are based on years of service and an employee's compensation during a consecutive five-year term of employment within the ten years prior to benefit determination, which results in the highest earnings. An employee becomes a plan participant upon reaching age 21 and completing at least one year of eligible service. A year of eligible service is credited to an employee upon the completion of at least 1,000 hours of service in a calendar year. The following table sets forth the changes in projected benefit obligation and changes in plan assets for the years ended December 31 and the funded status of the Plan and accrued pension obligation as of December 31 as actuarially determined:

	2014	2013
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$ 370,363	\$ 393,278
Service cost	7,799	9,688
Interest cost	18,146	16,758
Actuarial loss (gain)	86,616	(39,119)
Benefits paid	(11,544)	(10,242)
Projected benefit obligation at end of year	<u>471,380</u>	<u>370,363</u>
Change in plan assets		
Plan assets at fair value at beginning of year	376,885	335,553
Actual return on plan assets	15,869	41,874
Corporation and subsidiary contributions	8,500	9,700
Benefits paid	(11,544)	(10,242)
Plan assets at fair value at end of year	<u>389,710</u>	<u>376,885</u>
Funded status of the Plan (recognized as other long-term assets in 2013 and accrued pension obligations in 2014)	<u>\$ (81,670)</u>	<u>\$ 6,522</u>

Items included in unrestricted net assets that have not yet been recognized as a component of net periodic pension cost at December 31 are as follows:

	2014	2013
Unrecognized net actuarial loss	\$ 150,689	\$ 55,345
Unrecognized prior service cost	55	77
	<u>\$ 150,744</u>	<u>\$ 55,422</u>

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 10. Pension Plans (Continued)

Changes in plan assets and benefit obligation recognized in unrestricted net assets during the years ended December 31 include the following:

	2014	2013
Current year actuarial loss (gain)	\$ 98,374	\$ (55,016)
Recognized actuarial loss	(3,030)	(10,721)
Current year amortization of prior service cost	(22)	(23)
	<u>\$ 95,322</u>	<u>\$ (65,760)</u>

The actuarial loss and prior service cost included in unrestricted net assets and expected to be recognized in the net periodic pension cost during the year ending December 31, 2015, total \$11,711 and \$22, respectively.

Net periodic benefit cost included in salaries and benefits expense during the years ended December 31, consists of the following:

	2014	2013
Service cost	\$ 7,799	\$ 9,688
Interest cost	18,146	16,758
Expected return on plan assets	(27,627)	(25,977)
Amortization of unrecognized net loss	3,030	10,721
Amortization of unrecognized prior service cost	22	23
Net periodic benefit cost	<u>\$ 1,370</u>	<u>\$ 11,213</u>

The accumulated benefit obligation at December 31, 2014 and 2013 was \$442,959 and \$347,775, respectively.

The weighted-average assumptions used to determine benefit obligations at December 31 and net periodic benefit costs for the years then ended are as follows:

	2014	2013
Assumptions – benefit obligations:		
Discount rate	4.11%	4.98%
Rate of compensation increase	3.00	3.00
Assumptions – net periodic benefit cost:		
Discount rate	4.98%	4.32%
Expected return on plan assets	7.50	8.00
Rate of compensation increase	3.00	3.50

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 10. Pension Plans (Continued)

The amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan. The decrease in the discount rate from December 31, 2013 to December 31, 2014, resulted in an increase in the projected benefit obligation of \$48,316. The Society of Actuaries published new mortality tables in the Fall of 2014, which Parkview adopted in the December 31, 2014 valuation. The use of the new tables increased the projected benefit obligation by \$38,300 from December 31, 2013 to December 31, 2014.

The principal long-term determinant of a portfolio's investment return is its asset allocation. The Plan's allocation is currently weighted toward growth assets (55%) versus fixed income (45%). The Corporation's policy on investment allocation for the Plan consists of an allocation of 35% to 75% for growth investments and 30% to 60% for fixed income investments. Within the growth investment classification, the Plan's asset strategy encompasses equity and equity-like instruments that are of both public and private market investments. These equity and equity-like instruments are public equity securities that are well diversified and invested in U.S. and international companies. Management believes its active strategies have added value relative to passive benchmark returns. The expected long-term rate of return assumption is based on the mix of assets in the Plan, the long-term earnings expected to be associated with each asset class, and the additional return expected through active management. This assumption is periodically benchmarked against peer plans.

The Plan's weighted-average asset allocations at December 31, by asset category, are as follows:

	2014	2013
Real estate investment trust	4%	4%
Real estate investment fund	4%	0%
Commingled funds	11%	18%
International equities	6%	6%
Domestic equities	13%	12%
Mortgage- and asset-backed securities	1%	0%
Corporate bonds	1%	0%
Mutual funds – equity	13%	13%
Mutual funds – fixed income	40%	37%
Mutual funds – balanced	3%	3%
US government and agency obligations	2%	0%
Cash and short-term investments	1%	5%
Guaranteed investment contract	1%	2%
	100%	100%

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 10. Pension Plans (Continued)

The fair value of pension plan assets was determined using the following inputs at December 31, 2014:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Real estate investment trust	\$ 15,680	\$ -	\$ -	\$ 15,680
Real estate investment fund	14,379	-	-	14,379
Commingled funds	42,948	-	42,948	-
International equity	23,993	17,423	6,570	-
Domestic equity	51,997	51,997	-	-
Mortgage- and asset-backed securities	3,682	-	3,682	-
Corporate bonds	3,950	-	3,950	-
Mutual funds - equity	51,643	51,643	-	-
Mutual funds - fixed income	154,124	154,124	-	-
Mutual funds - balanced	13,105	13,105	-	-
US government and agency obligations	7,417	7,417	-	-
Cash and short-term investments	1,539	1,539	-	-
Guaranteed investment contract	5,253	-	-	5,253
	<u>\$ 389,710</u>	<u>\$ 297,248</u>	<u>\$ 57,150</u>	<u>\$ 35,312</u>

Fair value methodologies for Level 1 and Level 2 investments are consistent with the inputs described in Note 4. The fair value of the Level 3 interest in the guaranteed investment contract (GIC) is based on information reported by the issuer of the GIC at year-end. The fair value of the Level 3 interests in the real estate investment trust and real estate investment fund is obtained from secondary market brokers evaluating price and business appraisers applying assumptions to valuation methodologies. Both the real estate investment trust and the real estate investment fund invest in land and buildings and seeks to improve property-level operations by increasing lease rates, recapitalizing properties, rehabilitating aging/distressed properties, and repositioning properties to attract higher-quality tenants.

The fair value of pension plan assets was determined using the following inputs at December 31, 2013:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Real estate investment trust	\$ 14,007	\$ -	\$ -	\$ 14,007
Commingled funds	69,281	-	69,281	-
International equity	24,556	17,741	6,815	-
Domestic equity	44,842	44,842	-	-
Mutual funds - equity	49,976	49,976	-	-
Mutual funds - fixed income	137,733	137,733	-	-
Mutual funds - balanced	13,000	13,000	-	-
Cash and short-term investments	17,632	17,632	-	-
Guaranteed investment contract	5,858	-	-	5,858
	<u>\$ 376,885</u>	<u>\$ 280,924</u>	<u>\$ 76,096</u>	<u>\$ 19,865</u>

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 10. Pension Plans (Continued)

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy:

	Financial Assets
Fair value at January 1, 2013	\$ 6,625
Purchases, issuances, and settlements	12,027
Actual return on plan assets	1,213
Fair value at December 31, 2013	19,865
Purchases, issuances, and settlements	12,145
Actual return on plan assets	3,302
Fair value at December 31, 2014	<u>\$ 35,312</u>

Estimated future benefit payments are as follows:

Year ending December 31:	
2015	\$ 13,664
2016	15,106
2017	16,823
2018	18,616
2019	20,246
2020 - 2024	125,173

The Corporation expects to make no contributions to its defined benefit pension plan in 2015.

Defined contribution and other pension plans

Eligible employees hired after December 31, 2004, and employees who were active at December 31, 2004, and elected at that time to participate in the defined-contribution plan and freeze their benefits in the defined benefit plan, participate in the defined contribution plan. The accrued liability for the defined-contribution pension plan is \$15,111 and \$13,210 at December 31, 2014 and 2013, respectively, and is recorded as a current liability on the consolidated balance sheets. During 2014 and 2013, expense for this plan totaled \$15,127 and \$13,240, respectively, and is included in salaries and benefits expense.

Contributions to the tax-sheltered annuity and 401(k) plans are based on a percentage of eligible employee salaries, as defined. The contributions for the tax-sheltered annuity and 401(k) plans were \$7,526 and \$7,355 in 2014 and 2013, respectively, and were reported as salaries and benefits expense.

Note 11. Malpractice Insurance

The Corporation and its affiliates are subject to pending and threatened legal actions that arise in the normal course of their activities. Medical malpractice coverage is provided through a program of self-insurance and commercial insurance and considers limitations imposed by the Indiana Medical Malpractice Act, as amended (the Act). The Act limits the amount of individual claims to \$1,250 (effective July 1, 1999), of which \$1,000 would be paid by the State of Indiana Patient Compensation Fund and \$250 by the Corporation or by its commercial insurer, The Medical Protective Company.

Parkview Health System, Inc. and Subsidiaries
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Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 11. Malpractice Insurance (Continued)

Malpractice claims for incidents that may give rise to litigation have been asserted against the Corporation by various claimants. The claims are in various stages of resolution, and some may ultimately be brought to trial. There are also reported incidents that have occurred through December 31, 2014, which may result in the assertion of additional claims. There may be other claims from unreported incidents arising from services provided to patients. The liability for medical malpractice includes amounts for claims and related legal expenses for these incurred but not reported incidents. This liability is actuarially determined by combining industry data and the Corporation's historical experience. Accrued malpractice losses and insurance recovery receivables have been discounted at 4% in 2014 and 5% in 2013 and, in management's opinion, provide adequate reserve for loss contingencies. The Corporation recorded receivable balances to reflect the expected recovery from commercial insurance coverage. The Corporation is reporting receivables of \$722 and \$347 in prepaid expenses and other current assets at December 31, 2014 and 2013, respectively, and \$1,278 and \$994 in other assets at December 31, 2014 and 2013, respectively. The Corporation has recorded malpractice liabilities of \$2,055 and \$1,703 in accounts payable and accrued expenses as of December 31, 2014 and 2013, respectively, and \$6,480 and \$5,601 at December 31, 2014 and 2013, respectively, in other liabilities in the consolidated balance sheets.

The Corporation established a revocable, restricted trust for claims not covered by commercial insurance for the purpose of setting aside assets based on actuarial funding recommendations. Under the trust agreements, the trust assets can only be used for payment of malpractice and general liability losses, related expenses, and the cost of administering the trust. The balance of the trust was \$4,070 and \$4,142 at December 31, 2014 and 2013, respectively. The trust is included in Investments – Funds held by trustees in the consolidated balance sheets.

Note 12. Commitments and Contingencies

Certain property and equipment are leased using noncancelable operating and capital lease arrangements. Rental expense associated with the operating leases was \$20,099 and \$22,962 in 2014 and 2013, respectively. The leases expire in various years through 2027. Future minimum lease payments required under noncancelable operating and capital leases for property and equipment as of December 31, 2014, are as follows:

	Operating Leases	Capital Leases
Year ending December 31:		
2015	\$ 3,973	\$ 6,915
2016	3,363	2,639
2017	3,352	1,303
2018	3,040	149
2019	2,252	16
Thereafter	10,097	-
Total minimum lease payments	<u>\$ 26,077</u>	11,022
Less amount representing interest		(484)
Present value of net minimum lease payments		<u>\$ 10,538</u>

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 12. Commitments and Contingencies (Continued)

Parkview Hospital, Inc. owns the Ortho Hospital building and leases the space to Orthopaedic Hospital at Parkview North LLC under a non-cancelable operating lease that expires in 2017. Orthopaedic Hospital at Parkview North LLC owns the Parkview Surgery One building and leases it to Parkview Ortho Center LLC under a non-cancelable operating lease that expires in 2025. Parkview Health has 60% ownership of Orthopaedic Hospital at Parkview North LLC, which owns the Parkview Ortho Center LLC. Rental revenue and expense associated with these leases are eliminated in consolidation, and the related future minimum lease payments have been excluded from the above table.

Note 13. Functional Expenses

The Corporation, as an integrated health care delivery system, provides and manages the health care needs of its patients. Aggregate direct expenses for these services as a percentage of total expenses were approximately 91% for each of the years ended December 31, 2014 and 2013.

Note 14. Indiana Medicaid Disproportionate Share

Under Indiana law (IC 12-15-16 (1-3)), health care providers qualifying as State of Indiana Medicaid Acute Disproportionate Share and Medicaid Safety Net Hospitals (DSH providers) are eligible to receive Indiana Medicaid Disproportionate Share (State DSH) payments. The amount of these additional State DSH funds is dependent on regulatory approval by agencies of the federal and state governments and is determined by the level, extent, and cost of uncompensated care (as defined) and various other factors. State DSH payments are paid according to the fiscal year of the state, which ends on June 30 of each year, and are based on the cost of uncompensated care provided by the DSH providers during their respective fiscal year ended during the state fiscal year.

In 2014, PH recognized \$2,511 in income from Indiana Medicaid Disproportionate Share payments, which pertained to state fiscal year 2013. This amount represents a change in estimate recognized in 2014.

In 2013, PH recognized \$4,902 and \$6,077 from Indiana Medicaid Disproportionate Share payments, which pertained to state fiscal years 2012 and 2013, respectively. No change in estimate was recorded by PH in 2013.

At December 31, 2014 and 2013, PH had no State DSH payments receivable recorded.

Note 15. Indiana Hospital Assessment Fee Program

In May 2012, the Indiana Hospital Assessment Fee program (HAF) was approved by the federal Centers for Medicare & Medicaid Services (CMS) for the period from July 1, 2011 through June 30, 2013. Under HAF, Indiana hospitals receive additional federal Medicaid funds for the State's health care system, administered by the Indiana Family and Social Services Administration. HAF includes both a payment to the hospitals from the State and an assessment against the hospitals, which is paid to the State the same year. The State of Indiana has approved HAF effective July 2013 through June 2017. Payments to PH recognized for the six months ended June 30, 2013, totaled \$30,319 and assessments against PH for the same period were \$19,925. No payments to PH were received, or assessments against PH were paid, after June 30, 2013, pending approval of HAF by CMS. Because the program was approved mid-year 2014, payments to PH recognized for the year ended December 31, 2014, included payments to PH totaling \$31,405 and assessments against PH of \$20,098 related to the period from July 1, 2013 through December 31, 2013. Payments to PH recognized for the 12-month period from January 1, 2014 through December 31, 2014, totaled \$53,242 and assessments against PH for the same period totaled \$34,946. HAF payments to PH are included in net patient service care revenue in the consolidated statements of operations and changes in net assets. HAF assessments against PH are presented as an operating expense in the consolidated statements of operations and changes in net assets.

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Notes to Consolidated Financial Statements
(Dollars in Thousands)

Note 16. New Markets Tax Credit

In December 2014, PH entered into a New Markets Tax Credit (NMTC) financing transaction to fund a portion of the cost of construction of a new medical complex in Warsaw, Indiana. The new complex will be reported as part of Parkview Whitley Hospital. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000, or the "Act", and is intended to induce capital investment in qualified lower income communities. The Act permits taxpayers to claim credits against their Federal income taxes for up to 39% of qualified investments in the equity of community development entities, or "CDE". A CDE is a privately managed investment institution that is certified to make qualified low-income community investments, or "QLIC" loans. The NMTC structure includes PH, as a leverage lender, and the tax credit investor of DV VNB Community Investment Fund, LLC, an entity formed for purposes of this transaction by Dudley Ventures (DV) and Valley National Bank (VNB). In December 2014, DV VNB Community Investment Fund, LLC, made a \$3,120 capital contribution to DV-Parkview QEI, LLC, a qualified equity investment fund. At the same time, PH made a \$6,894 leverage loan to the same investment fund. In turn, DV-Parkview QIE, LLC made a \$10,000 capital contribution to DVCi CDE XXI, LLC, recognized as a qualified community development entity (noted above), or sub-CDE in this structure. After deducting certain fees associated with the transaction, DVCi CDE XXI, LLC made two QLIC loans to Parkview Whitley Hospital for a combined \$9,700. In this structure, Parkview Whitley Hospital is designated as a qualified active low-income community benefit entity, or QALICB. The notes on these loans bear interest of 1% and mature in 2044. Interest-only payments are made during the first seven years of the notes. The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code. PH is required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in projected tax benefits not being realized and, therefore, could require PH to indemnify the investors for any loss or recapture of NMTCs related to the financing until such time as PH's obligation to deliver tax benefits is relieved. PH does not anticipate any credit recaptures in connection with this arrangement. This transaction includes a put/call provision that becomes effective at the end of the seven year compliance/recapture period. Under the put/call provision, PH may be obligated or entitled to purchase the investor's interest in DV-Parkview QEI, LLC. PH believes that the investors will exercise the put option in December 2021 at the end of the compliance/recapture period. The value attributed to the put/call provision is de minimis.

Note 17. Subsequent Events

PH has evaluated subsequent events for potential recognition and/or disclosure through April 28, 2015, the date the consolidated financials were issued.

Supplementary Information

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet
December 31, 2014
(In Thousands)

Assets	Parkview Hospital	Parkview Health System, Inc.	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LeGange Hospital	Parkview Wabash Hospital	Managed Care Services	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Current Assets															
Cash and cash equivalents	(290)	55,161	3	9,501	2	2	2	-	(1)	240	35	59	153	\$	\$ 64,692
Short-term investments	-	40,216	-	-	-	-	-	-	-	-	-	-	-	-	40,216
Patient accounts receivable, net	105,679	37,192	6,418	6,755	6,772	4,408	-	-	1,298	-	-	-	-	-	166,490
Inventories	12,371	3,424	183	196	225	240	-	-	-	-	-	-	-	-	16,639
Prepaid expenses and other current assets	(395,605)	425,477	(537)	(20,333)	4,313	(1,584)	-	12,551	3,171	1,430	27	19	(16)	(5,839)	23,194
Estimate third-party payer settlements	4,343	64	187	77	120	-	-	-	-	-	-	-	-	-	4,811
Total current assets	(273,402)	381,524	8,254	(3,804)	11,432	3,095	-	12,551	4,466	1,670	62	75	137	(5,839)	310,212
Investments															
Board-designated investments	21,065	566,940	32,579	47,414	-	-	-	-	-	13,759	744	1,779	430	-	703,710
Funds held by trustees	-	25,041	-	-	-	-	-	-	-	-	-	-	-	-	25,041
Other investments	-	-	-	-	-	-	-	-	-	-	172	-	-	-	172
Total investments	21,065	614,981	32,579	47,414	-	-	-	-	-	13,759	916	1,779	430	-	732,923
Property and Equipment															
Cost	1,001,446	640,956	14,142	12,804	15,662	30,886	21,800	1,422	1,887	222	20	18	14	-	1,640,586
Less accumulated depreciation and amortization	385,468	214,711	10,500	6,142	11,351	12,666	804	804	1,136	195	15	11	9	-	544,940
Total property and equipment	615,948	326,245	3,642	4,892	4,331	17,920	21,800	618	749	27	5	7	5	-	895,659
Other Assets															
Interest rate swaps	-	3,564	-	-	-	-	-	-	-	-	-	-	-	-	3,564
Deferred financing costs	-	2,240	-	-	-	108	-	-	-	-	-	-	-	-	2,348
Investments in joint ventures	1,072	2,340	-	-	-	-	-	-	-	-	-	-	-	-	3,412
Goodwill and intangible assets, net	1,543	74,516	-	-	841	5,011	-	-	-	-	-	-	-	-	81,911
Other assets	1,332	42,348	47	7	11	1	-	-	-	-	-	-	-	(18,987)	24,760
Total other assets	3,947	125,008	47	7	852	5,120	-	-	-	-	-	-	-	(18,987)	113,955
Total assets	\$ 387,558	\$ 1,627,759	\$ 42,822	\$ 48,279	\$ 16,815	\$ 26,026	\$ 21,800	\$ 13,189	\$ 5,215	\$ 15,456	\$ 863	\$ 1,881	\$ 572	\$ (24,826)	\$ 2,167,788

Parkview Health System, Inc. and Subsidiaries
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Details of Consolidated Balance Sheet (Continued)
 December 31, 2014
 (In Thousands)

	Parkview Hospital	Parkview Health System, Inc.	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital	Parkview Wabash Hospital	Managed Care Services	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Liabilities and Net Assets															
Current Liabilities															
Accounts payable and accrued expenses	\$ 28,034	\$ 22,454	\$ 787	\$ 635	\$ 826	\$ 484	\$ -	\$ 5,015	\$ 175	\$ 7	\$ -	\$ -	\$ -	\$ (1,725)	\$ 54,472
Salaries, wages, and related liabilities	11,858	82,323	680	1,040	732	487	-	138	227	-	-	-	-	-	77,281
Accrued interest	-	2,840	-	-	-	13	-	-	-	-	-	-	-	-	2,853
Estimated third-party payor settlements	17,487	473	266	118	908	485	-	-	-	-	-	-	-	-	19,837
Current portion of long-term debt	1,717	31,154	69	74	125	828	-	-	-	-	-	-	-	(4,114)	29,651
Total current liabilities	58,904	118,044	1,782	1,687	2,481	2,285	-	5,151	402	7	-	-	-	(5,839)	184,104
Noncurrent Liabilities															
Long-term debt, less current portion	2,678	591,164	106	9,817	296	19,646	-	-	-	-	-	-	-	-	623,707
Interest rate swaps	-	79,288	-	-	-	-	-	-	-	-	-	-	-	-	79,288
Accrued pension obligations	302	81,670	45	52	-	6,588	-	174	-	B	-	-	-	(6,821)	81,670
Other	2,880	771,050	151	9,899	301	26,242	-	174	-	B	-	-	-	(6,821)	803,954
Net Assets															
Parkview Health System, Inc.	307,874	712,435	40,579	36,543	13,833	(2,604)	-	7,844	4,813	9,374	584	1,156	276	(12,166)	1,117,321
Noncontrolling interest in subsidiaries	-	25,230	-	-	-	-	-	-	-	-	-	-	-	-	25,230
Total unrestricted net assets	307,874	737,665	40,579	36,543	13,833	(2,604)	-	7,844	4,813	9,374	584	1,156	276	(12,166)	1,142,551
Temporarily restricted net assets	-	-	-	-	-	93	21,800	-	-	919	81	705	296	-	31,270
Permanently restricted net assets	307,874	737,665	40,579	36,543	13,833	(2,511)	21,800	7,844	4,813	15,441	683	1,861	572	(12,166)	1,174,731
Total liabilities and net assets	\$ 367,558	\$ 1,827,758	\$ 49,922	\$ 46,779	\$ 16,615	\$ 26,026	\$ 21,600	\$ 13,169	\$ 5,215	\$ 15,456	\$ 883	\$ 1,861	\$ 572	\$ (24,828)	\$ 2,182,789

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Balance Sheet
December 31, 2013
(In Thousands)

Assets	Parkview Hospital	Parkview Health System, Inc.	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital	Managed Care Services	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Current Assets													
Cash and cash equivalents	\$ (423)	\$ 106,078	\$ 3	\$ -	\$ -	\$ 1	\$ 5	\$ (34)	\$ 37	\$ 52	\$ 108	\$ -	\$ 106,161
Short-term investments		12,645											12,645
Patient accounts receivable, net	105,854	34,544	5,864	6,809	7,010	4,008	-	1,271	-	-	-	-	165,480
Inventories	12,712	3,230	251	209	216	289	-	-	-	-	-	-	16,907
Prepaid expenses and other current assets	(439,508)	480,279	(275)	(33,640)	2,269	(1,319)	6,692	2,422	(43)	16	(45)	(2,232)	28,724
Estimated third-party payor settlements	1,000	681	486	904	392	930	-	-	-	-	-	-	4,393
Collateral from securities lending agreement	-	1,309	-	-	-	-	-	-	-	-	-	-	1,309
Total current assets	(320,263)	648,764	6,359	(25,718)	9,878	3,813	8,692	3,659	(8)	68	61	(2,232)	335,619
Investments													
Board-designated investments	20,452	393,551	31,638	46,035	-	-	-	-	12,965	1,663	554	-	507,668
Funds held by trustees	-	24,900	-	-	-	-	-	-	-	-	-	-	24,900
Securities pledged	-	2,280	-	-	-	-	-	-	-	-	-	-	2,280
Other investments	20,452	420,711	31,638	46,035	-	-	-	-	12,965	1,663	554	-	535,025
Property and Equipment													
Cost	1,002,601	472,382	13,760	17,601	16,102	30,303	998	1,600	222	16	14	-	1,555,520
Less accumulated depreciation and amortization	349,200	187,104	9,892	11,972	11,635	11,028	686	1,055	188	6	6	-	582,486
	653,401	285,278	4,078	5,729	4,467	19,275	300	545	34	10	8	-	973,034
Other Assets													
Interest rate swaps	-	2,767	-	-	-	-	-	-	-	-	-	-	2,767
Deferred financing costs	-	2,488	-	-	-	116	-	-	-	-	-	-	2,614
Investments in joint ventures	1,199	1,990	-	-	-	-	-	-	-	-	-	-	3,189
Goodwill and intangible assets, net	1,543	74,634	-	-	841	5,011	-	-	-	-	-	-	82,029
Other assets	1,834	33,085	40	7	13	1	-	-	-	-	-	(8,934)	26,046
	4,576	114,874	40	7	864	5,128	-	-	-	-	-	(8,934)	116,645
Total assets	\$ 358,066	\$ 1,468,727	\$ 42,115	\$ 28,053	\$ 15,199	\$ 29,316	\$ 8,992	\$ 4,204	\$ 15,443	\$ 1,741	\$ 823	\$ (11,166)	\$ 1,950,323

Parkview Health System, Inc. and Subsidiaries
 d/b/a Parkview Health

Details of Consolidated Balance Sheet (Continued)
 December 31, 2013
 (In Thousands)

	Parkview Hospital	Parkview Health System, Inc.	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Liabilities and Net Assets													
Current Liabilities													
Accounts payable and accrued expenses	\$ 28,479	\$ 24,683	\$ 669	\$ 722	\$ 437	\$ 486	\$ 4,024	\$ 124	\$ -	\$ -	\$ -	\$ -	\$ 57,633
Salaries, wages, and related liabilities	10,928	66,980	679	785	685	469	134	266	-	-	-	-	79,684
Accrued interest	-	2,729	-	-	-	11	-	-	-	-	-	-	2,740
Estimated third-party payor settlements	3,750	-	-	-	-	-	-	-	-	-	-	-	3,750
Payable under securities lending agreement	2,305	25,421	75	80	70	766	-	-	-	-	-	-	2,324
Current portion of long-term debt	43,860	122,127	1,412	1,587	1,192	1,782	4,158	390	-	-	-	(2,332)	27,515
Total current liabilities												(2,332)	173,656
Noncurrent Liabilities													
Long-term debt, less current portion	4,046	596,011	175	182	163	20,469	-	-	-	-	-	-	621,056
Interest rate swaps	512	15,934	38	450	8	6,595	126	8	-	-	-	(6,934)	48,506
Other	4,558	660,451	213	642	171	28,085	126	8	-	-	-	(8,534)	18,739
Total noncurrent liabilities													665,301
Net Assets													
Parkview Health System, Inc.	310,046	667,241	40,480	23,824	13,888	(2,593)	4,708	3,814	638	1,116	336	-	1,070,619
Noncontrolling interest in subsidiaries	-	19,508	-	-	-	-	-	-	-	-	-	-	19,508
Total unrestricted net assets	310,046	687,149	40,480	23,824	13,888	(2,593)	4,708	3,814	638	1,116	336	-	1,090,527
Temporarily restricted net assets	-	-	-	-	-	82	-	7,454	281	625	287	-	8,729
Permanently restricted net assets	-	-	-	-	-	-	-	819	91	-	-	-	910
Total liabilities and net assets	\$ 358,056	\$ 1,469,727	\$ 42,115	\$ 26,053	\$ 15,199	\$ 28,316	\$ 8,992	\$ 4,204	\$ 1,010	\$ 1,741	\$ 623	\$ (11,168)	\$ 1,960,323

Parkview Health System, Inc. and Subsidiaries
/s/ Parkview Health

Details of Consolidated Statement of Operations and Changes in Net Assets

Year Ended December 31, 2014

(In Thousands)

	Parkview Hospital	Parkview Health System, Inc.	Parkview Huntington Hospital	Parkview Whitely Hospital	Parkview Noble Hospital	Parkview Ladue Hospital	Parkview Wabash Hospital	Managed Care Services	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Whitely Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Revenues:															
Net patient care service revenue	\$ 900,112	\$ 317,065	\$ 61,419	\$ 59,592	\$ 62,216	\$ 34,725	\$ -	\$ -	\$ 8,952	\$ -	\$ -	\$ -	\$ -	\$ (53,322)	\$ 1,367,748
Provision for bad debts	(79,052)	(14,522)	(6,229)	(6,203)	(6,128)	(3,699)	-	-	(47)	-	-	-	-	-	(119,890)
Net patient care service revenue less provision for bad debts	821,060	302,543	55,190	53,389	56,088	31,026	-	-	8,885	-	-	-	-	-	1,247,858
Other revenue	26,927	31,890	2,985	2,954	1,408	742	-	39,760	2,184	2,078	287	331	225	(31,955)	71,984
	847,977	334,253	57,174	52,833	54,496	31,768	-	39,760	11,069	2,078	287	331	225	(85,087)	1,319,842
Expenses:															
Salaries and benefits	285,976	297,817	19,652	19,271	17,322	11,341	-	3,288	6,089	549	79	100	88	(46,389)	682,433
Supplies	116,579	40,620	4,544	4,104	3,503	2,347	-	44	661	47	1	1	-	-	171,671
Purchased services	53,319	48,621	3,979	4,721	4,203	3,801	-	31,565	2,191	283	1	1	-	(25,493)	128,231
Utilities, repairs, and maintenance	21,048	22,814	1,588	1,634	1,546	1,245	-	89	152	6	1	1	-	(341)	49,723
Depreciation and amortization	46,012	33,098	935	1,190	846	1,486	-	108	83	7	3	3	-	-	83,727
Hospital assessment fee	44,791	1,240	2,294	2,091	2,979	1,690	-	-	-	-	-	-	-	-	55,044
Other	171,975	(149,831)	12,152	14,769	13,934	7,103	-	549	665	1,709	184	129	188	(12,835)	80,808
	709,700	295,967	42,284	47,740	44,331	29,007	-	35,624	10,070	2,588	278	235	280	(85,087)	1,131,637
Operating income (loss)	138,977	39,698	14,890	5,193	10,165	2,761	-	3,138	989	(522)	(11)	98	(55)	-	214,305
Nonoperating income (expense):															
Interest, dividends, and realized gains (losses) on sales of investments, net	1,133	27,267	1,975	2,409	4	(2)	-	-	-	-	-	-	-	-	32,466
Unrealized (losses) on investments, net	(481)	(11,602)	(733)	(1,062)	-	-	-	-	-	-	-	-	-	-	(13,896)
Interest expense	(255)	(16,898)	(10)	(11)	(10)	(166)	-	-	-	(1)	-	-	-	-	(18,121)
Unrealized (losses) on interest rate swaps, net	-	(28,843)	-	-	-	-	-	-	-	-	-	-	-	-	(28,843)
Other	(898)	(10,287)	-	1,902	(10)	-	-	-	-	-	-	-	-	-	(9,383)
Excess (deficit) of revenues over expenses	\$ 138,386	\$ (4,547)	\$ 15,812	\$ 8,411	\$ 10,149	\$ 2,593	\$ -	\$ 3,136	\$ 989	\$ (523)	\$ (11)	\$ 98	\$ (55)	\$ -	\$ 174,448
Noncontrolling interest in subsidiaries															
Parkview Health System, Inc. and subsidiaries	\$ -	\$ 32,050	\$ -	\$ 8,411	\$ 10,149	\$ 2,593	\$ -	\$ -	\$ -	\$ (523)	\$ (11)	\$ -	\$ -	\$ -	\$ 32,050
Other changes in net assets attributable to:															
Noncontrolling interest in subsidiaries	(140,790)	81,791	(15,723)	(7,659)	(10,152)	(2,593)	21,600	-	-	530	(19)	24	4	-	(26,728)
Parkview Health System, Inc. and subsidiaries	(2,374)	90,516	88	653	(3)	-	21,600	3,138	699	7	(27)	120	(51)	-	74,585
Net assets (deficit):															
Beginning of year	310,048	687,149	40,490	23,824	13,858	(2,511)	-	4,708	3,814	15,434	1,010	1,741	823	-	1,100,966
End of year	\$ 307,674	\$ 737,665	\$ 40,578	\$ 24,377	\$ 13,633	\$ (2,511)	\$ 21,600	\$ 7,844	\$ 4,813	\$ 19,441	\$ 983	\$ 1,651	\$ 572	\$ -	\$ 1,174,731

Parkview Health System, Inc. and Subsidiaries
d/b/a Parkview Health

Details of Consolidated Statement of Operations and Changes in Net Assets
Year Ended December 31, 2013
(In Thousands)

	Parkview Hospital	Parkview Health Systems, Inc.	Parkview Huntington Hospital	Parkview Whitley Hospital	Parkview Noble Hospital	Parkview LaGrange Hospital	Managed Care Services	Parkview Occupational Health	Parkview Hospital Foundation	Parkview Whitley Hospital Foundation	Parkview Noble Hospital Foundation	Parkview Huntington Hospital Foundation	Eliminations	Consolidated
Revenues:														
Net patient care service revenue	\$ 764,079	\$ 278,740	\$ 62,576	\$ 48,510	\$ 55,329	\$ 28,678	\$ -	\$ 7,944	\$ -	\$ -	\$ -	\$ -	\$ (53,562)	\$ 1,203,292
Provision for bad debts	(78,652)	(19,740)	(6,516)	(4,851)	(7,217)	(3,300)	-	(19)	-	-	-	-	-	(118,125)
Net patient care service revenue less provision for bad debts	705,397	260,000	46,060	43,659	48,112	25,378	-	7,925	-	-	-	-	-	1,085,167
Other revenue	28,035	51,315	3,749	2,871	1,884	1,010	35,793	2,254	1,417	232	217	211	(53,610)	76,478
	733,432	311,315	49,809	46,530	50,096	27,388	35,793	10,179	1,417	232	217	211	(106,172)	1,160,645
Expenses:														
Salaries and benefits	246,464	270,438	16,468	17,999	16,669	11,018	3,327	5,785	474	79	96	90	(44,092)	547,016
Supplies	92,410	40,922	3,800	3,454	3,528	1,821	50	519	21	-	1	-	-	146,626
Purchased services	76,220	54,157	6,525	6,766	6,376	4,926	28,972	1,983	166	-	-	-	(46,195)	136,928
Utilities, repairs, and maintenance	18,395	23,903	1,354	1,350	1,562	1,170	70	130	4	1	1	-	(341)	47,750
Depreciation and amortization	48,634	32,065	1,485	1,374	889	1,641	10	66	8	3	3	-	-	63,870
Hospital assessment fee	15,870	551	917	838	990	789	-	-	-	-	-	-	-	19,925
Other	147,815	(123,243)	10,542	11,684	11,455	6,124	541	773	1,388	154	121	115	(12,564)	54,925
	645,789	258,733	40,891	43,645	41,869	27,460	32,970	9,235	2,091	237	222	209	(106,172)	1,037,038
Operating income (loss)	87,634	12,532	8,918	3,085	8,427	(74)	2,823	844	(674)	(5)	(5)	2	-	123,607
Nonoperating income (expense):														
Interest, dividends, and realized gains (losses) on sales of investments, net	540	10,346	1,013	1,438	(17)	(2)	-	-	-	-	-	-	-	13,321
Unrealized gains on investments, net	1,088	26,176	1,581	2,332	-	(206)	-	-	-	-	-	-	-	31,125
Interest expense	(361)	(19,204)	(19)	(15)	(13)	(206)	-	-	-	-	-	-	-	(19,818)
Unrealized gains on interest rate swaps, net	-	34,866	-	-	-	-	-	-	-	-	-	-	-	34,866
Other	(25)	(9,379)	196	19	(1)	(6)	-	1	-	-	-	-	-	(9,203)
Excess (deficit) of revenues over expenses	\$ 86,823	\$ 55,441	\$ 11,878	\$ 6,650	\$ 8,396	\$ (289)	\$ 2,823	\$ 845	\$ (674)	\$ (5)	\$ (5)	\$ 2	\$ -	\$ 173,997
Excess (deficit) of revenues over expenses attributable to:														
Noncontrolling interest in subsidiaries	\$ -	\$ 22,888	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,845
Parkview Health System, Inc. and subsidiaries	\$ 86,823	\$ 32,573	\$ 11,602	\$ 6,660	\$ 8,396	\$ (289)	\$ 2,823	\$ 845	\$ (674)	\$ (5)	\$ (5)	\$ 2	\$ -	\$ 151,052
Other changes in net assets attributable to:														
Noncontrolling interest in subsidiaries	-	4,295	126	-	-	-	-	-	-	-	-	-	-	4,421
Parkview Health System, Inc. and subsidiaries	(65,207)	(65,993)	(11,853)	(7,262)	(6,403)	56	-	-	414	(16)	7	23	-	(43,652)
(Decrease) increase in net assets	(6,384)	225,629	(46)	(402)	(7)	(232)	2,823	845	(800)	(21)	2	25	-	222,070
Net assets (deficit):														
Beginning of year	316,432	481,520	40,538	24,228	13,843	(2,279)	1,685	2,869	15,894	1,031	1,739	588	-	878,058
End of year	\$ 310,048	\$ 887,148	\$ 40,480	\$ 23,824	\$ 13,836	\$ (2,511)	\$ 4,708	\$ 3,814	\$ 15,434	\$ 1,010	\$ 1,741	\$ 623	\$ -	\$ 1,100,186