

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

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

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

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2015 calendar year, or tax year beginning 04/01, 2015, and ending 03/31, 20 16

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES
 Doing business as SOUTHERN ILLINOIS HEALTHCARE
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 3988
 City or town, state or province, country, and ZIP or foreign postal code
CARBONDALE, IL 62902-3988

D Employer identification number
37-0618939

E Telephone number
(618) 457-5200

G Gross receipts \$ 982,136,031

F Name and address of principal officer: REX BUDDÉ
PO BOX 3988, CARBONDALE, IL 62902-3988

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. (see instructions)
H(c) Group exemption number ▶

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

J Website: ▶ WWW.SIH.NET

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1946 **M** State of legal domicile: IL

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>SOUTHERN ILLINOIS HOSPITAL SERVICES' (SIHS) MISSION STATEMENT IS "WE ARE DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE."</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	3,507
	6 Total number of volunteers (estimate if necessary)	6	216
	7a 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)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,970,472	1,809,839
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	442,698,599	482,963,048
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	31,838,028	(1,134,732)
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,369,016	4,236,051
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	484,876,115	487,874,206
	14 Benefits paid to or for members (Part IX, column (A), line 4)	474,620	409,841
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	186,057,556	193,342,368
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>148,935</u>	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	234,088,793	262,011,543
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	420,620,969	455,763,752
19 Revenue less expenses. Subtract line 18 from line 12	64,255,146	32,110,454	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	741,249,071	788,949,760
	22 Net assets or fund balances. Subtract line 21 from line 20	249,476,334	272,976,668

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: MIKE KASSER, CFO Date: _____
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: RACHEL SPURLOCK Preparer's signature: _____ Date: _____
 Check if self-employed PTIN: P00520729

Firm's name ▶ CROWE HORWATH LLP Firm's EIN ▶ 35-0921680
 Firm's address ▶ 9600 BROWNSBORO ROAD, SUITE 400, LOUISVILLE, KY 40241-1122 Phone no. (502) 326-3996

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2015)

Part III Statement of Program Service Accomplishments

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

- 1 Briefly describe the organization's mission:
SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS DEDICATED TO PROMOTING THE HEALTH AND WELL BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE. OUR MISSION IS GUIDED BY OUR VALUES: COMPASSION, COLLABORATION, QUALITY, STEWARDSHIP, INTEGRITY, ACCOUNTABILITY AND RESPECT. (CONTINUED IN SCHEDULE O)
- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.
- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.
- 4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 373,434,696 including grants of \$ 0) (Revenue \$ 485,376,501)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PROVIDES QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. THROUGH DAILY OPERATIONS, SIHS' HOSPITALS PROVIDE SIGNIFICANT AMOUNTS OF UNCOMPENSATED CHARITY CARE, UNCOMPENSATED GOVERNMENT-SPONSORED HEALTH CARE, SUBSIDIZED HEALTH SERVICES AND MEDICAL EDUCATION. THE PRIMARY SERVICE AREA OF SIHS IS A VERY RURAL SEVEN-COUNTY REGION WITH A COMBINED POPULATION OF APPROXIMATELY 245,000. THE RESIDENTS OF THESE COUNTIES' MEDIAN HOUSEHOLD INCOMES ARE BELOW THE STATE AVERAGE, PLUS THE POVERTY RATE IS HIGHER THAN THE STATE AVERAGE. (CONTINUED IN SCHEDULE O)

4b (Code:) (Expenses \$ 1,538,721 including grants of \$ 409,841) (Revenue \$ 0)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) HAS EXTENDED ITS SERVICES BEYOND HOSPITAL WALLS AND INTO THE NEIGHBORHOODS WHERE PEOPLE LIVE AND WORK. THE COMMUNITY BENEFITS DEPARTMENT OF SIHS WAS INSTITUTED IN 1994 WITH AN OPERATING BUDGET SPECIFICALLY ALLOCATED TO BRING HEALTH-RELATED PROGRAMS TO THE AREAS IN WHICH THEY WERE MOST NEEDED. COMMUNITY BENEFITS HAS UNDERTAKEN A WIDE VARIETY OF SUCCESSFUL PROGRAMS SINCE ITS INCEPTION. (CONTINUED IN SCHEDULE O)

4c (Code:) (Expenses \$ 108,729 including grants of \$ 0) (Revenue \$ 0)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PROVIDES PROGRAMS TO IMPROVE THE HEALTH AND WELL-BEING OF THE CHILDREN AND ADOLESCENTS ATTENDING SOUTHERN ILLINOIS SCHOOLS. (CONTINUED IN SCHEDULE O)

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

4e Total program service expenses ▶ 375,082,146

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, 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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

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

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?		✓
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?		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		✓
6	Did the organization have members or stockholders?	✓	
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?	✓	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	✓	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	✓	
b	Each committee with authority to act on behalf of the governing body?	✓	
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.		✓

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► IL
- 18** Section 6104 requires an organization to make its 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: ►
 MIKE KASSER, 1239 EAST MAIN STREET, CARBONDALE, IL 62901, (618)457-5200

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) REX BUDDER PRESIDENT/CEO	40.0 15.0	✓		✓				807,442	0	230,562
(2) MARLENE SIMPSON SECRETARY	2.0 1.0	✓		✓				350	0	0
(3) EUGENE BASANTA CHAIR	2.0 2.0	✓		✓				350	0	0
(4) DR. TERENCE GLENNON VICE CHAIR	2.0 2.0	✓		✓				978	0	0
(5) STEVE SABENS TRUSTEE	2.0 2.0	✓						400	0	0
(6) KATHLEEN FRALISH TRUSTEE	2.0 2.0	✓						400	0	0
(7) HAROLD BARDO TRUSTEE	2.0 2.0	✓						400	0	0
(8) GEORGE O'NEILL TRUSTEE	2.0 2.0	✓						350	0	0
(9) MORTON LEVINE TRUSTEE	2.0 2.0	✓						450	0	0
(10) DEBRA MCMORROW TRUSTEE	2.0 1.0	✓						350	0	0
(11) MIKE ABSHER TRUSTEE RESIGNED MAY 2015	2.0 1.0	✓						100	0	0
(12) BOB MEES TRUSTEE	2.0 1.0	✓						450	0	0
(13) MIKE HUDSON TRUSTEE PARTIAL YEAR AS OF SEPT. 2015	2.0 1.0	✓						50	0	0
(14) PARVIZ SANJABI, MD TRUSTEE PARTIAL YEAR AS OF MAY 2015	2.0 1.0	✓						250	0	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) MIKE KASSER VP/CFO/TREASURER	40.0 15.0			✓			528,125	0	139,669	
(16) WILLIAM SHERWOOD VP/ GENERAL COUNSEL	40.0 15.0			✓			546,830	0	167,534	
(17) JULIE FIRMAN VP/CNO	50.0 0.0			✓			332,114	0	83,634	
(18) PHILIP SCHAEFER VP/ AMB & PHYS SERVICES	30.0 50.0			✓			471,777	0	147,047	
(19) PAM HENDERSON VP/ HR	40.0 0.0			✓			329,916	0	73,958	
(20) JOHN B MILLSTEAD VP/ ADMINISTRATOR	55.0 0.0			✓			536,372	0	166,963	
(21) WILLIAM THORNE VP/ COMMUNITY BENEFITS	40.0 0.0			✓			280,082	0	95,462	
(22) TERENCE FARRELL VP/ ADMINISTRATOR	60.0 0.0			✓			438,258	0	131,085	
(23) JOHN BROTHERS VP/ADMINISTRATOR PARTIAL YEAR UNTIL MAY 2015	50.0 0.0			✓			383,319	0	9,824	
(24) SHELLY PIERCE VP/QUALITY	30.0 25.0			✓			272,319	0	55,338	
(25) (SEE STATEMENT)										
1b Sub-total							4,931,432	0	1,301,076	
c Total from continuation sheets to Part VII, Section A							1,872,193	0	285,526	
d Total (add lines 1b and 1c)							6,803,625	0	1,586,602	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶ 137**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HURON CONSULTING GROUP, 4795 PAYSHERE CIR, CHICAGO, IL 60674	REVENUE CONSULTING	12,706,270
BIRGHAM ANESTHESIA SOUTH LLC, 35 ALBANY RD STE C, CARBONDALE, IL 62903	MEDICAL AND HEALTHCARE PAYMENTS	4,297,407
AOS LLC, 1859 BOWKES AVE, FENTON, MO 63026	IT SERVICES	4,173,941
MEDICAL STAFFING NETWORK, PO BOX 203000, DALLAS, TX 72445	MEDICAL AND HEALTHCARE PAYMENTS	1,698,794
CLAIMASSIST, PO BOX 464, NEEDHAM, MA 02494	PATIENT FINANCIAL CONSULTING	1,045,885
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶	44	

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a	0					
	b Membership dues	1b	0					
	c Fundraising events	1c	0					
	d Related organizations	1d	909,802					
	e Government grants (contributions)	1e	823,303					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	76,734					
	g Noncash contributions included in lines 1a-1f: \$		0					
	h Total. Add lines 1a-1f			1,809,839				
Program Service Revenue				Business Code				
	2a PATIENT REVENUE		622110	481,189,447	481,189,447	0	0	
	b PARTNERSHIP INCOME		900099	1,085,209	1,085,209	0	0	
	c LEASEHOLD REVENUE FROM RELATED ORGANIZATIONS		531120	688,392	688,392	0	0	
	d			0	0	0	0	
	e							
	f All other program service revenue .			0	0	0	0	
g Total. Add lines 2a-2f			482,963,048					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			10,602,189	0	0	10,602,189	
	4 Income from investment of tax-exempt bond proceeds ▶							
	5 Royalties							
	6a Gross rents	(i) Real	561,380					
		(ii) Personal						
	b Less: rental expenses		533,311					
	c Rental income or (loss)		28,069	0				
	d Net rental income or (loss)			28,069	0	0	28,069	
	7a Gross amount from sales of assets other than inventory	(i) Securities	481,119,163	872,430				
		(ii) Other						
	b Less: cost or other basis and sales expenses		493,019,171	709,343				
	c Gain or (loss)		(11,900,008)	163,087				
	d Net gain or (loss)			(11,736,921)	0	0	(11,736,921)	
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a						
		b Less: direct expenses	b					
c Net income or (loss) from fundraising events . ▶								
9a Gross income from gaming activities. See Part IV, line 19	a							
	b Less: direct expenses	b						
	c Net income or (loss) from gaming activities . . ▶							
10a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory . . ▶							
Miscellaneous Revenue			Business Code					
11a CAFETERIA/VENDING/HOSPITAL AUXILIARY		900099	2,369,650	575,121	0	1,794,529		
b MEDICAL RECORDS/X-RAY		621300	200,307	200,307	0	0		
c INTERNET PHYSICIAN REVENUE		621300	363,125	363,125	0	0		
d All other revenue		900099	1,274,900	1,274,900	0	0		
e Total. Add lines 11a-11d			4,207,982					
12 Total revenue. See instructions.			487,874,206	485,376,501	0	687,866		

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	409,841	409,841		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0	0		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	7,180,744	1,196,313	5,984,431	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	198,202	198,202	0	0
7 Other salaries and wages	142,092,790	116,952,234	25,029,957	110,599
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,368,009	3,162,983	203,143	1,883
9 Other employee benefits	29,776,054	27,697,034	2,060,198	18,822
10 Payroll taxes	10,726,569	8,557,593	2,160,792	8,184
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	1,848,667	21,411	1,827,256	0
c Accounting	198,525	0	198,525	0
d Lobbying	81,689	0	81,689	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	618,602	0	618,602	0
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	77,445,049	55,214,519	22,230,530	
12 Advertising and promotion	997,512	7,847	989,665	0
13 Office expenses	9,493,644	7,729,784	1,754,413	9,447
14 Information technology	11,944,185	8,555,620	3,388,565	0
15 Royalties	0	0	0	0
16 Occupancy	7,320,151	5,890,394	1,429,757	0
17 Travel	761,979	469,635	292,344	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	1,000,264	500,995	499,269	0
20 Interest	6,527,128	6,487,586	39,542	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	30,316,631	20,048,496	10,268,135	0
23 Insurance	6,253,112	5,734,177	518,935	0
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 MEDICAL SUPPLIES	88,659,251	88,659,251	0	0
b PROVIDER TAX	9,519,587	9,519,587	0	0
c EQUIPMENT RENTAL	7,113,159	6,580,239	532,920	0
d HOSPITAL AUXILIARY	638,798	638,798	0	0
e All other expenses	1,273,610	849,607	424,003	
25 Total functional expenses. Add lines 1 through 24e	455,763,752	375,082,146	80,532,671	148,935
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	7,200	1	8,158
	2 Savings and temporary cash investments	9,133,193	2	12,657,715
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	91,220,690	4	96,882,463
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	75,483
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	1,851
	7 Notes and loans receivable, net	895,042	7	165,453
	8 Inventories for sale or use	10,964,223	8	11,806,439
	9 Prepaid expenses and deferred charges	5,159,044	9	5,940,270
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 501,554,268		
	b Less: accumulated depreciation	10b 257,988,471	209,980,725	10c 243,565,797
	11 Investments—publicly traded securities	355,366,981	11	347,054,035
	12 Investments—other securities. See Part IV, line 11	13,187,824	12	13,087,906
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	1,278,035	14	1,265,292
	15 Other assets. See Part IV, line 11	44,056,114	15	56,438,898
16 Total assets. Add lines 1 through 15 (must equal line 34)	741,249,071	16	788,949,760	
Liabilities	17 Accounts payable and accrued expenses	53,518,940	17	59,316,027
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	162,216,000	20	178,974,000
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	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	33,741,394	25	34,686,641
	26 Total liabilities. Add lines 17 through 25	249,476,334	26	272,976,668
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	491,357,603	27	515,506,109
	28 Temporarily restricted net assets	415,134	28	466,983
	29 Permanently restricted net assets	0	29	0
	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	0	30	0
	31 Paid-in or capital surplus, or land, building, or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	0	32	0
33 Total net assets or fund balances	491,772,737	33	515,973,092	
34 Total liabilities and net assets/fund balances	741,249,071	34	788,949,760	

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	487,874,206
2	Total expenses (must equal Part IX, column (A), line 25)	2	455,763,752
3	Revenue less expenses. Subtract line 2 from line 1	3	32,110,454
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	491,772,737
5	Net unrealized gains (losses) on investments	5	(4,397,946)
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	(3,512,153)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	515,973,092

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		✓
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	✓	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	✓	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	✓	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	✓	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2015

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.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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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 (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An 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 (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 2015 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2015. 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—2014. 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—2015. 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—2014. 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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

- 19a 33 1/3% support tests—2015.** 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—2014.** 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 in line 11 on 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

	Yes	No
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 (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? 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 section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
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 or 990-EZ).		
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 9a) 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 9a) 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 section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b 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.)		

Part IV Supporting Organizations (continued)

		Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?		
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b	A family member of a person described in (a) above?		
c	A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
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.		

Section E. Type III Functionally-Integrated Supporting Organizations

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

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 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).			

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2015 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-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2015 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2016. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

Schedule of Contributors

2015

▶ 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.

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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Organization type (check one):

- | | |
|--------------------|---|
| Filers of: | Section: |
| Form 990 or 990-EZ | <input checked="" type="checkbox"/> 501(c)(3) (enter number) organization |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation |
| | <input type="checkbox"/> 527 political organization |
| Form 990-PF | <input type="checkbox"/> 501(c)(3) exempt private foundation |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | <input type="checkbox"/> 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).

Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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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	----- ----- -----	\$ 909,802	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 391,534	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ 10,955	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ 213,856	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	----- ----- -----	\$ 23,801	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	----- ----- -----	\$ 206,959	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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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
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----

Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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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 information once. See instructions.)* ▶ \$

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2015

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," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

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

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

Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37-0618939
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		✓	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	✓		
c Media advertisements?		✓	
d Mailings to members, legislators, or the public?		✓	
e Publications, or published or broadcast statements?		✓	
f Grants to other organizations for lobbying purposes?		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	✓		81,689
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?	✓		63,221
j Total. Add lines 1c through 1i			144,910
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

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

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

Part IV Supplemental Information

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

SEE NEXT PAGE

Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	A PORTION OF DUES PAID TO THE ILLINOIS HOSPITAL ASSOCIATION IS USED FOR LOBBYING BY THAT ASSOCIATION IN THE AMOUNT OF \$63,221.
SCHEDULE C, PART II-B, LINE 1G - DIRECT CONTACT WITH LEGISLATORS	THE ORGANIZAITON HAS HIRED A PROFESSIONAL SERVICES FIRM TO CONDUCT LOBBYING ON BEHALF OF THE ORGANIZATION.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

Name of the organization: SOUTHERN ILLINOIS HOSPITAL SERVICES; Employer identification number: 37-0618939

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

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for values and 5-6 for Yes/No questions.

Part II Conservation Easements.

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

Form with multiple rows for questions 1-9 regarding conservation easements, including a table for lines 2a-2d.

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

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

Form with rows 1a-2b for questions regarding collections of art and historical treasures.

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

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

Part IV Escrow and Custodial Arrangements.

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

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | 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 on Part XIII

Part V Endowment Funds.

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

- | | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶%
 - b** Permanent endowment ▶%
 - c** Temporarily restricted endowment ▶%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
- b** If "Yes" on line 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" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	13,572,798		13,572,798
b Buildings	0	138,528,549	67,019,689	71,508,860
c Leasehold improvements		4,264,788	3,415,212	849,576
d Equipment		292,075,647	180,177,585	111,898,062
e Other		53,112,486	7,375,985	45,736,501
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				243,565,797

Part VII Investments—Other Securities.

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

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

Part VIII Investments—Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	48,842,434
(2) STUDENT/TUITION LOANS RECEIVABLE	787,476
(3) OTHER CURRENT ASSETS	764,081
(4) UNAMORTIZED BOND COSTS, NET	3,198,017
(5) EXECUTIVE BENEFIT PLAN	2,846,890
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	56,438,898

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	12,761,522
(3) INTEREST RATE SWAP CONTRACT	18,365,845
(4) MEDICAL PROFESSIONAL LIABILITY	2,028,241
(5) ACCRUED BOND INTEREST	568,757
(6) ASBESTOS LIABILITY	330,603
(7) LONG TERM EXECUTIVE RETIREMENT PLAN	316,941
(8) MISCELLANEOUS	314,732
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	34,686,641

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 XIII

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

Return Reference - Identifier	Explanation
<p>SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE</p>	<p>THE ORGANIZATION IS INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS. BELOW IS THE FIN 48 (ASC 740) FOOTNOTE FROM THOSE FINANCIAL STATEMENTS:</p> <p>THE CORPORATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE CORPORATION REALIZED CERTAIN INCOME WHICH THE INTERNAL REVENUE SERVICE CONSIDERS TO BE UNRELATED BUSINESS INCOME SUBJECT TO INCOME TAX. FOR THE YEARS ENDED MARCH 31, 2016 AND 2015, NO TAX WAS DUE RELATED TO THESE OPERATIONS.</p> <p>WHEN TAX 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 BE ULTIMATELY SUSTAINED. EXAMPLES OF TAX POSITIONS COMMON TO HEALTH SYSTEMS INCLUDE MATTERS SUCH AS THE TAX EXEMPT ENTITY TAKING A TAX POSITION THAT AN ORGANIZATION IS TAX EXEMPT WITHOUT OBSERVING CORRESPONDING PROOF OF TAX EXEMPTION FROM FEDERAL AND STATE TAXING AUTHORITIES AND THERE IS MATERIAL NET INCOME GENERATED BY THE ENTITY OR EGREGIOUS COMPENSATION PAID TO INSIDERS THAT COULD RESULT IN REVOCATION OF EXEMPT STATUS (OUTSIDE THE SCOPE OF INTERMEDIATE SANCTIONS EXCISE TAX PENALTIES). THE TAX POSITION IS TO CONSIDER THAT THESE COMPENSATORY ARRANGEMENTS DO NOT JEOPARDIZE TAX EXEMPTION. THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY.</p> <p>TAX POSITIONS TAKEN ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS. TAX POSITIONS THAT MEET THE "MORE-LIKELY-THAN-NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50 PERCENT LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THERE WERE NO UNCERTAIN TAX BENEFITS IDENTIFIED AND RECORDED AT MARCH 31, 2016 AND 2015. THE CORPORATION DOES NOT EXPECT THE TOTAL AMOUNT OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT 12 MONTHS. THE CORPORATION WOULD RECOGNIZE INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN MISCELLANEOUS EXPENSES. THERE WAS NO INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IDENTIFIED AND RECORDED AT MARCH 31, 2016 AND 2015.</p> <p>TAX RETURNS FILED BY THE CORPORATION ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN. TAX RETURNS FILED BY THE CORPORATION ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEARS ENDED MARCH 31, 2012 AND PRIOR.</p>

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

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

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

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENTS		11,385,000
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	0	0			11,385,000
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			11,385,000

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

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

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

3 Enter total number of other organizations or entities

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

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

Part IV Foreign Forms

- 1** Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No
- 2** Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; do not file with Form 990)* Yes No
- 3** Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations (see Instructions for Form 5471)* Yes No
- 4** Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)*. Yes No
- 5** Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* Yes No
- 6** Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; do not file with Form 990)* Yes No

Part V

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

Return Reference - Identifier	Explanation
SCHEDULE F, PART I, LINE 3 - METHOD TO ACCOUNT FOR EXPENDITURES ON ORG'S FINANCIAL STATEMENTS	CENTRAL AMERICA AND THE CARIBBEAN: ACCRUAL

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes" on 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.

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37 0618939

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	✓	
b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <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 free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____%	✓	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____%	✓	
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"?	✓	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		✓
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	✓	
b If "Yes," did the organization make it available to the public?	✓	

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

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			4,177,355	0	4,177,355	0.92
b Medicaid (from Worksheet 3, column a)			101,058,554	64,128,442	36,930,112	8.10
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0.00
d Total Financial Assistance and Means-Tested Government Programs	0	0	105,235,909	64,128,442	41,107,467	9.02
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			538,872		538,872	0.12
f Health professions education (from Worksheet 5)			3,158,023	597,819	2,560,204	0.56
g Subsidized health services (from Worksheet 6)			3,528,070	1,621,662	1,906,408	0.42
h Research (from Worksheet 7)			253,724	115,473	138,251	0.03
i Cash and in-kind contributions for community benefit (from Worksheet 8)			414,491		414,491	0.09
j Total. Other Benefits	0	0	7,893,180	2,334,954	5,558,226	1.22
k Total. Add lines 7d and 7j	0	0	113,129,089	66,463,396	46,665,693	10.24

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing					0	0.00
2 Economic development					0	0.00
3 Community support					0	0.00
4 Environmental improvements					0	0.00
5 Leadership development and training for community members					0	0.00
6 Coalition building			140,372		140,372	0.03
7 Community health improvement advocacy			319,732		319,732	0.07
8 Workforce development					0	0.00
9 Other					0	0.00
10 Total	0	0	460,104	0	460,104	0.10

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	6,351,588
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3	1,396,635
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	135,540,594
6	Enter Medicare allowable costs of care relating to payments on line 5	6	142,649,987
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	(7,109,393)
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	✓
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	✓

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	PHYSICIAN'S SURGERY CENTER	SURGERY CENTER	59.46	0.00	40.54
2	SOUTHERN ILLINOIS ORTHOPEDICS CENTER	MEDICINE	34.00	0.00	66.00
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 3

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 MEMORIAL HOSPITAL OF CARBONDALE 405 WEST JACKSON STREET, CARBONDALE, IL 62901 WWW.SIH.NET STATE LICENSE NO. : 0000513	✓	✓		✓			✓			A
2 HERRIN HOSPITAL 201 SOUTH 14TH STREET, HERRIN, IL 62948 WWW.SIH.NET STATE LICENSE NO. : 0000935	✓	✓					✓		ACUTE REHAB	A
3 ST JOSEPH MEMORIAL HOSPITAL 2 SOUTH HOSPITAL DRIVE, MURPHYSBORO, IL 62966 WWW.SIH.NET STATE LICENSE NO. : 0004614	✓	✓			✓		✓			A
4										
5										
6										
7										
8										
9										
10										

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group A

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

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?
- 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
- 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
If "Yes," indicate what the CHNA report describes (check all that apply):
 - a** A definition of the community served by the hospital facility
 - b** Demographics of the community
 - c** Existing health care facilities and resources within the community that are available to respond to the health needs of the community
 - d** How data was obtained
 - e** The significant health needs of the community
 - f** Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
 - g** The process for identifying and prioritizing community health needs and services to meet the community health needs
 - h** The process for consulting with persons representing the community's interests
 - i** Information gaps that limit the hospital facility's ability to assess the community's health needs
 - j** Other (describe in Section C)
- 4** Indicate the tax year the hospital facility last conducted a CHNA: 20 15
- 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
- 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
- b** 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
- 7** Did the hospital facility make its CHNA report widely available to the public?
If "Yes," indicate how the CHNA report was made widely available (check all that apply):
 - a** Hospital facility's website (list url): WWW.SIH.NET/ABOUT/COMMUNITY-BENEFITS/
 - b** Other website (list url): _____
 - c** Made a paper copy available for public inspection without charge at the hospital facility
 - d** 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
- 9** Indicate the tax year the hospital facility last adopted an implementation strategy: 20 15
- 10** Is the hospital facility's most recently adopted implementation strategy posted on a website?
 - a** If "Yes," (list url): WWW.SIH.NET/ABOUT/COMMUNITY-BENEFITS/
 - b** If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?
- 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)?
- b** 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? \$ _____

	Yes	No
1		✓
2		✓
3	✓	
5	✓	
6a	✓	
6b		✓
7	✓	
8	✓	
10	✓	
10b		
12a		✓
12b		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group A

		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? 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>2 0 0</u> % and FPG family income limit for eligibility for discounted care of <u>4 0 0</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input checked="" type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	✓	
15	Explained the method for applying for financial assistance?	✓	
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?	✓	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" 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 checked="" 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 checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input 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?	✓	
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 A

		Yes	No
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?		✓
If "Yes," check all actions in which the hospital facility or a third party engaged:			
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)		
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	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission		
b	<input type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills		
d	<input checked="" type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
e	<input type="checkbox"/> Other (describe in Section C)		
f	<input type="checkbox"/> None 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?	✓	
If "No," indicate why:			
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Section C)		
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?		✓
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?		✓
If "Yes," explain in Section C.			

Part V, Section C

Supplemental Information. 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.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED</p>	<p>FACILITY NAME: A</p> <p>DESCRIPTION: THE BROAD INTERESTS OF THE COMMUNITY WE SERVE WERE INCORPORATED BY INCLUDING INPUT FROM RESIDENTS, PATIENT GROUPS, HEALTH CARE PRACTITIONERS, LOCAL HEALTH DEPARTMENTS, SOCIAL SERVICES PROVIDERS, AND OTHER COMMUNITY ORGANIZATIONS AND PARTNERS.</p> <p>PARTICIPANTS CONTRIBUTED TO THIS ASSESSMENT BY: -IDENTIFYING AND PRIORITIZING NEEDS; -HIGHLIGHTING CURRENT SUCCESSFUL AND ONGOING ACTIVITIES; -IDENTIFYING GAPS WHERE ATTENTION IS NEEDED; -FOSTERING COLLABORATION, PURSUING OPPORTUNITIES FOR INNOVATION AND SUSTAINABILITY; -DEVELOPING PLANS TO ADDRESS SIGNIFICANT COMMUNITY HEALTH ISSUES.</p> <p>THE PROCESS WAS GUIDED BY A STEERING COMMITTEE COMPOSED OF AN INTERNAL TEAM OF SIH REPRESENTATIVES AND AN EXTERNAL TEAM OF COMMUNITY STAKEHOLDERS KNOWLEDGEABLE ABOUT HEALTH, NEEDS ASSESSMENT, AND THE LOCAL COMMUNITY.</p> <p>THE PROCESS INCLUDED A PRIMARY SURVEY OF OUR COMMUNITY'S HEALTH PRIORITIES, MEETINGS WITH HEALTHCARE PROVIDERS AND A 34 MEMBER SIH CHNA ADVISORY TEAM. THE CHNA ADVISORY TEAM MEMBERS INCLUDED SIH STAFF, LOCAL PUBLIC HEALTH DEPARTMENT STAFF, AND HEALTH AND SOCIAL SERVICE PROVIDERS. THIS TEAM REVIEWED THE DATA, PROVIDED INPUT AND SHARED THEIR PERCEPTIONS OF OVERALL IMPACT, MAGNITUDE OF THE PROBLEM, SEVERITY, AND ABILITY AND INTEREST OF THE COMMUNITY TO ADDRESS THE ISSUES. ACTIVE PARTICIPATION IN LOCAL HEALTH COMMUNITY COALITIONS ALSO PROVIDED INSIGHT INTO THE NEEDS AND PRIORITIES OF OUR COMMUNITY MEMBERS.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 6A - CHNA CONDUCTED WITH ONE OR MORE OTHER HOSPITAL FACILITIES</p>	<p>FACILITY NAME: A</p> <p>DESCRIPTION: MEMORIAL HOSPITAL OF CARBONDALE, CARBONDALE, IL HERRIN HOSPITAL, HERRIN, IL ST JOSEPH MEMORIAL HOSPITAL, MURPHYSBORO, IL</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA</p>	<p>FACILITY NAME: A</p> <p>DESCRIPTION: THREE IMPLEMENTATION PLAN TEAMS WERE DEVELOPED IN ORDER TO BRING EXPERTS TOGETHER WITH EXPERTISE AND INTEREST IN EACH OF THE CHOSEN AREAS. KEY ISSUES AND NEEDS WERE IDENTIFIED AND INTERVENTION STRATEGIES WERE DEVELOPED. THE COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION PLAN WAS REVIEWED AND ADOPTED BY THE SIH BOARD OF TRUSTEES ON MARCH 24, 2016.</p> <p>THE PRIORITY AREAS THROUGH THIS NEEDS ASSESSMENT WILL BE USED TO FOCUS COMMUNITY BENEFITS DEPARTMENT PLANNING FOR THE NEXT THREE YEARS (APRIL 1 2016 – MARCH 31, 2019).</p> <p>SOME ISSUES WERE IDENTIFIED BUT NOT PRIORITIZED TO DIRECTLY ADDRESS AT THIS TIME DUE TO SUCH FACTORS AS OTHER GROUPS AND ORGANIZATIONS, INCLUDING SIH, ALREADY WORKING TO ADDRESS THEM.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE</p>	<p>WWW.SIH.NET/PATIENTS-VISITORS/HEALTHCARE-ASSISTANCE-PROGRAM/</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE</p>	<p>WWW.SIH.NET/PATIENTS-VISITORS/HEALTHCARE-ASSISTANCE-PROGRAM/</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE</p>	<p>WWW.SIH.NET/PATIENTS-VISITORS/HEALTHCARE-ASSISTANCE-PROGRAM/</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 22D - HOW AMOUNTS CHARGED TO FAP-ELIGIBLE PATIENTS WERE DETERMINED</p>	<p>FACILITY NAME: A</p> <p>DESCRIPTION: SOUTHERN ILLINOIS HEALTHCARE IS USING THE LOOK-BACK METHOD OF DETERMINING THE AMOUNTS GENERALLY BILLED ("AGB"), AS DESCRIBED IN TREASURY REGULATION 1.501(R)-5(B)(3). THE ORGANIZATION LIMITS THE AMOUNT CHARGED FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE PROVIDED TO ANYONE WHO IS ELIGIBLE FOR FINANCIAL ASSISTANCE TO AGB.</p>

Part V Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? 26

Name and address	Type of Facility (describe)
1 PRAIRIE BUILDING 409 WEST OAK CARBONDALE, IL 62901	CARDIAC DIAGNOSTIC
2 ST JO LAB & IMAGING - ST JO 2601 WEST MAIN ST CARBONDALE, IL 62901	LAB & IMAGING SERVICES
3 LPC-WF IMAGING & LAB 502 ST LOUIS STREET WEST FRANKFORT, IL 62896	RADIOLOGY
4 SLEEP CENTER 8305 EXPRESS DRIVE MARION, IL 62959	SLEEP STUDIES
5 BREAST CENTER 1237 EAST MAIN ST CARBONDALE, IL 62901	MAMMOGRAPHY
6 REHAB UNLIMITED 305 WEST JACKSON CARBONDALE, IL 62901	PHYSICAL THERAPY
7 MINERS MEMORIAL HEALTH CENTER 2553 KEN GRAY BLVD WEST FRANKFORT, IL 62896	FAMILY PRACTICE, RADIOLOGY, LAB AND SPECIALTY CLINICS
8 LOGAN PARK RADIOLOGY & LAB 405 RUSHING DRIVE HERRIN, IL 62948	RADIOLOGY, LAB
9 REFERENCE LAB 500 LINCOLN DRIVE HERRIN, IL 62948	LAB SERVICES
10 REHAB UNLIMITED - LOGAN PARK 3308 LOGAN DRIVE HERRIN, IL 62948	PHYSICAL THERAPY

Part V Facility Information *(continued)***Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, from largest to smallest)How many non-hospital health care facilities did the organization operate during the tax year? 26

Name and address	Type of Facility (describe)
1 RUN - MARION 1403 JOE ABBOTT WAY MARION, IL 62959	PHYSICAL THERAPY
2 REHAB UNLIMITED 515 EAST VIENNA ST ANNA, IL 62906	PHYSICAL THERAPY
3 PRIMARY CARE GROUP 117 EAST CLARK STREET HARRISBURG, IL 62946	LAB, IMAGING, WOUND CARE, PHYSICAL THERAPY
4 WOUND CARE 315 SOUTH 13TH ST HERRIN, IL 62948	WOUND CARE
5 REHAB UNLIMITED 6 EAST SHAWNEE DRIVE MURPHYSBORO, IL 62966	PHYSICAL THERAPY
6 FRANKLIN MEDICAL ARTS 203 BAILEY LANE BENTON, IL 62812	LAB, IMAGING
7 RIC PHYSICIAN PRACTICES 3224 SOUTH PARK AVENUE HERRIN, IL 62948	REHABILITATION SERVICES
8 WOMEN'S CENTER 3117 WILLIAMSON CO PARKWAY MARION, IL 62959	MAMMOGRAPHY
9 CANCER INSTITUTE 1400 PIN OAK DRIVE CARTERVILLE, IL 62918	CANCER TREATMENT
10 RUN - LPC WF 502 W ST LOUIS ST WEST FRANKFORT, IL 62896	PHYSICAL THERAPY

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
 (list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 26

Name and address	Type of Facility (describe)
1 RUN - MCLEANSBORO 119 SOUTH JACKSON MCLEANSBORO, IL 62859	PHYSICAL THERAPY
2 HERRIN MEDICAL ARTS 220 SOUTH PARK AVE HERRIN, IL 62948	OUTPT CARDIOVASCULAR CENTER/CHF CLINIC
3 WORKCARE OCCUPATIONAL HEALTH 500 LINCOLN DRIVE HERRIN, IL 62948	WORKCARE, OCCUPATIONAL THERAPY
4 WOUND CARE 411 WEST POPLAR HARRISBURG, IL 62946	WOUND CARE
5 RIC & SIH REHABILITATION SERVICES PO BOX 3988 CARBONDALE, IL 62901	REHABILITATION SERVICES
6 PHYSICIAN SURGERY CENTER 2601 WEST MAIN CARBONDALE, IL 62901	SURGERY CENTER
7 	
8 	
9 	
10 	

Provide the following information.

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 7 - DESCRIBE SUBSIDIZED HEALTH SERVICE COSTS FROM PHYSICIAN CLINIC ON LINE 7G	A FAMILY PRACTICE CENTER IS INCLUDED IN SUBSIDIZED HEALTH SERVICES. THE COST OF PROVIDING THIS CENTER WAS \$1,243,625.
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	<p>THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED VARIES ACCORDING TO THE INFORMATION REQUESTED AND THE MOST ACCURATE MEANS OF GATHERING THE REQUIRED INFORMATION.</p> <p>THE IRS PROVIDED WORKSHEET NUMBER 2 WAS USED TO CALCULATE A COST TO CHARGE RATIO USING INFORMATION FROM THE ORGANIZATION'S GENERAL LEDGER AND COST REPORTS. THAT RATIO WAS THEN USED IN CONJUNCTION WITH IRS WORKSHEET NUMBER 1 TO CALCULATE THE COST OF FINANCIAL ASSISTANCE PROVIDED AND WORKSHEET NUMBER 3 TO CALCULATE UNREIMBURSED MEDICAID AMOUNTS.</p> <p>THE ORGANIZATION'S COST ACCOUNTING SOFTWARE WAS UTILIZED FOR CALCULATING PORTIONS OF THE SUBSIDIZED HEALTH SERVICES. THE ORGANIZATION'S COST ACCOUNTING SOFTWARE ENCOMPASSES ALL PATIENT TYPES, SERVICES, AND PAYORS. THE COST ASSOCIATED WITH A SERVICE ARE REVIEWED AND UPDATED ANNUALLY TO PROVED THE MOST ACCURATE COST POSSIBLE. BOTH DIRECT AND INDIRECT COSTS ARE CONSIDERED WHEN ENTERED INTO THE SYSTEM.</p> <p>ACTUAL COST OF HEALTH IMPROVEMENT AND COMMUNITY BENEFIT PROGRAMS. HEALTH EDUCATION, RESEARCH PROGRAMS, SOME SUBSIDIZED HEALTH SERVICES AND DONATIONS ARE STATED AT ACTUAL COST. THE COSTS OF THESE ITEMS ARE TRACKED THROUGH THE GENERAL LEDGER PROCESS AND THROUGH OTHER ACCOUNTING SOFTWARE.</p>
SCHEDULE H, PART I, LINE 7, COL (F) - BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	0
SCHEDULE H, PART II - DESCRIBE HOW BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY	<p>THROUGH COMMUNITY BUILDING ACTIVITIES, SOUTHERN ILLINOIS HOSPITAL SERVICES ADDRESSES THE CAUSES OF HEALTH PROBLEMS THROUGH PROGRAMS THAT ADVOCATE FOR COMMUNITY HEALTH IMPROVEMENTS.</p> <p>THESE PROGRAMS INCLUDE:</p> <p>HEALTHY COMMUNITIES - THIS INITIATIVE IS DIRECTED AT IMPROVING COMMUNITY HEALTH THROUGH TIMELY ASSESSMENT OF NEEDS AND FACILITATING THE PLANNING, IMPLEMENTATION, AND EVALUATION OF COMMUNITY-BASED PROGRAMS AND SERVICES. SIH IS ACTIVE IN TWO HEALTHY COMMUNITIES COALITIONS IN LOCAL COUNTIES. THESE COALITIONS ARE COMPRISED OF HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CITIZENS AND OTHER INTERESTED COMMUNITY GROUPS INTERESTED IN IMPROVING THE HEALTH OF THEIR RESPECTIVE COMMUNITIES.</p> <p>COORDINATED SCHOOL HEALTH - THIS PROGRAM IS DIRECTED AT REDUCING THE GROWTH OF CHILDHOOD OBESITY AND IMPROVING THE OVERALL HEALTH AND WELL-BEING OF CHILDREN AND ADOLESCENTS.</p> <p>THE "ILLINOIS CATCH ON TO HEALTH CONSORTIUM (ICHC)" IS A COLLABORATIVE INITIATIVE BETWEEN THE SIU SCHOOL OF MEDICINE CENTER FOR RURAL HEALTH AND SOCIAL SERVICES DEVELOPMENT, LOCAL HEALTH DEPARTMENTS AND COMMUNITY ORGANIZATIONS IN SOUTHERN ILLINOIS. TOGETHER SIH IMPACTED OVER 80 SCHOOLS AND 20,000 KIDS IN THE LOWER 15 COUNTIES OF ILLINOIS. SIH PARTNERS WITH LOCAL SCHOOLS TO FORM SCHOOL WELLNESS COMMITTEES, COMPLETE THE CDC'S SCHOOL HEALTH INDEX, AND IMPLEMENT COORDINATED SCHOOL HEALTH PROGRAMS AND POLICIES TO IMPROVE HEALTH AND REDUCE OVERWEIGHT AND OBESITY AMONG SOUTHERN ILLINOIS STUDENTS.</p> <p>DURING FY16, SIH STAFF WORKED WITH 29 SCHOOLS, IMPACTING 8,573 CHILDREN, IN THE 7 COUNTY SERVICE AREA. SIH ALSO IMPACTED OVER 2,800 STUDENTS/ FAMILIES THROUGH FAMILY FUN NIGHTS, SCHOOL SPONSORED 5K'S, MATH AND SCIENCE NIGHTS, FAMILY VACATION NIGHTS, SCHOOL SAFETY DAYS, AND MUCH MORE. SIH STAFF ALSO CONDUCTED TRAINING FOR 42 SCHOOL FOOD SERVICE WORKERS AND 25 PHYSICAL EDUCATION TEACHERS.</p> <p>SIH STAFF ASSISTED SCHOOL PERSONNEL WITH ASSESSMENT, PROGRAM PLANNING, IMPLEMENTATION, AND EVALUATION WITH THE CDC'S "WHOLE SCHOOL, WHO COMMUNITY, WHOLE CHILD (WSCC) EXPANDED</p>

Return Reference - Identifier	Explanation
	<p>MODEL FOR COORDINATED SCHOOL HEALTH. ICHC MEMBERS ALSO WORKED COLLABORATIVELY WITH SCHOOLS IN THE SIH COVERAGE AREA TO PROMOTE AND ASSIST IN THE IMPLEMENTATION OF COORDINATED SCHOOL HEALTH PROGRAMMING BY PROVIDING TRAINING AND TECHNICAL SUPPORT, AND BY TRAINING STAFF ON THE CATCH (COORDINATED APPROACH TO CHILD HEALTH) PROGRAM AND SUPPLYING CATCH CURRICULUM AND MATERIALS.</p> <p>CATCH (COORDINATED APPROACH TO CHILD HEALTH) IS A COORDINATED SCHOOL HEALTH PROGRAM DESIGNED TO PROMOTE PHYSICAL ACTIVITY, HEALTHY FOOD CHOICES, AND PREVENT TOBACCO USE IN ELEMENTARY TO MIDDLE SCHOOL AGED CHILDREN.</p> <p>PATIENT SUPPORT INITIATIVE – SOUTHERN ILLINOIS HOSPITAL SERVICES PROVIDES A PATIENT SUPPORT INITIATIVE (PSI) WITH THE GOAL OF PROVIDING PATIENTS WITH ADEQUATE CARE AND COMPENSATING PHYSICIANS AT REASONABLE RATES FOR PATIENTS THAT DO NOT HAVE RESOURCES AVAILABLE TO PAY THEIR HEALTH CARE BILLS. SIHS COMPENSATES PHYSICIANS FOR THE CARE OF PATIENTS THAT ENTER THE HEALTHCARE SYSTEM VIA THE EMERGENCY DEPARTMENTS AT SIHS FACILITIES AND ARE ASSIGNED TO PHYSICIANS BASED UPON THE ON-CALL ROTATION COVERAGE. PSI IS DESIGNED FOR PHYSICIAN/PATIENT CONTACT THAT OCCURS IN A HOSPITAL BASED SETTING WHEN THERE WAS NO PREVIOUS RELATIONSHIP BETWEEN THE PATIENT AND THE PHYSICIAN OR THE PHYSICIAN'S PRACTICE. PSI PAYS COMPENSATION FOR PROFESSIONAL FEES ONLY, RELATING DIRECTLY TO THE EPISODE OF CARE BEGUN IN THE EMERGENCY DEPARTMENT, NOT TO EXCEED 30 DAYS.</p> <p>INDIGENT CARE FUNDING – SOUTHERN ILLINOIS HOSPITAL SERVICES PROVIDES FUNDING TO PURCHASE PRESCRIPTIONS, MEDICAL SUPPLIES AND TRANSPORTATION TO PATIENTS DEEMED FINANCIALLY INDIGENT ON A CASE-BY CASE BASIS.</p>
<p>SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT</p>	<p>IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE CORPORATION ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR PROVISION FOR BAD DEBTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY INSURANCE COVERAGE, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES A PROVISION FOR BAD DEBTS. IF NECESSARY, FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDE BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE CORPORATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE CORPORATION REGULARLY PERFORMS HINDSIGHT PROCEDURES TO EVALUATE HISTORICAL WRITE-OFF AND COLLECTION EXPERIENCE THROUGHOUT THE YEAR TO ASSIST IN DETERMINING THE REASONABLENESS OF ITS PROCESS FOR ESTIMATING THE PROVISION FOR BAD DEBT.</p>
<p>SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY</p>	<p>THE COST TO CHARGE RATIO IS CALCULATED UTILIZING WORKSHEET 2 INCLUDED IN THE INTERNAL REVENUE SERVICE'S FORM 990 SCHEDULE H INSTRUCTIONS. THIS COST TO CHARGE RATIO IS APPLIED TO THE CHARGES THAT ARE WRITTEN OFF PER THE ABOVE METHODOLOGY.</p> <p>TO ESTIMATE THE AMOUNT OF CARE THAT WAS WRITTEN OFF AS BAD DEBT EXPENSE THAT WOULD HAVE BEEN ELIGIBLE FOR CHARITY UNDER OUR POLICY THE FOLLOWING STEPS WERE TAKEN:</p> <ul style="list-style-type: none"> - THE NUMBER OF ENCOUNTERS BY COUNTY AT EACH OF OUR 3 FACILITIES WAS OBTAINED FROM OUR REGISTRATION SYSTEM. THE PERCENTAGE OF PATIENTS FROM EACH COUNTY VARIES BY FACILITY DUE TO THE LOCATION OF THE FACILITY. - THE AMOUNT OF BAD DEBT EXPENSE BY COUNTY AT EACH HOSPITAL WAS ESTIMATED BY APPLYING THE PERCENTAGES OBTAINED ABOVE TO THE AMOUNT OF TOTAL CHARGES WRITTEN OFF AT EACH FACILITY. - THE POVERTY RATE OF EACH COUNTY WAS THEN APPLIED TO THESE ALLOCATED CHARGES TO ESTIMATE THE AMOUNT OF CHARGES THAT WOULD HAVE BEEN ELIGIBLE UNDER OUR CHARITY POLICY BASED ON POVERTY LEVEL GUIDELINES. - THE COST TO CHARGE RATIO AS CALCULATED UTILIZING WORKSHEET 2 FROM THE SCHEDULE H INSTRUCTIONS WAS THEN USED TO DETERMINE THE COST OF THESE CHARGES.
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<p>TAKEN FROM THE CONSOLIDATED AUDIT REPORT PAGE 18: PROVISION FOR BAD DEBT - ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE CORPORATION ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY INSURANCE COVERAGE, THE CORPORATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS. IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY). FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDE BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE CORPORATION RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE CORPORATION REGULARLY PERFORMS HINDSIGHT PROCEDURES TO EVALUATE HISTORICAL WRITE-OFF AND COLLECTION EXPERIENCE THROUGHOUT THE YEAR TO ASSIST IN DETERMINING THE REASONABLENESS OF ITS PROCESS FOR ESTIMATING THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.</p>
<p>SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS</p>	<p>THE EXPENSES FROM THE AUDITED FINANCIAL STATEMENTS ARE ADJUSTED PER MEDICARE REGULATIONS. OVERHEADS ARE ALLOCATED BASED ON THE STEP-DOWN METHOD BY USING MEDICARE APPROVED STATISTICS. MEDICARE COSTS ARE DETERMINED BY MULTIPLYING THE DAYS OR CHARGES TIMES THE PER DIEM AMOUNT OR THE COST TO CHARGE RATIO APPLICABLE TO THE DEPARTMENT. HOME</p>

Return Reference - Identifier	Explanation
COMMUNITY BENEFIT AND COSTING METHOD USED	<p>OFFICE EXPENSES ARE ALLOCATED TO THE FACILITIES BASED ON THE HOME OFFICE COST REPORT. STATISTICS USED ON THE HOME OFFICE COST REPORT ARE APPROVED BY THE MEDICARE INTERMEDIARY.</p> <p>ONE HUNDRED PERCENT OF THE SHORTFALL OF MEDICARE ALLOWABLE COSTS OVER MEDICARE REVENUE IS CONSIDERED TO BE A COMMUNITY BENEFIT.</p> <p>BY CONTINUING TO TREAT PATIENTS ELIGIBLE FOR MEDICARE, HOSPITALS ALLEVIATE THE FEDERAL GOVERNMENT'S BURDEN FOR DIRECTLY PROVIDING MEDICAL SERVICES. THE IRS HAS ACKNOWLEDGED THAT LESSENING THE GOVERNMENT BURDEN ASSOCIATED WITH PROVIDING MEDICARE BENEFITS IS A CHARITABLE PURPOSE.</p>
SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE	<p>IF SIH DETERMINES THE INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE, SIH WILL:</p> <ul style="list-style-type: none"> -PROVIDE THE INDIVIDUAL WITH A BILLING STATEMENT THAT INDICATES THE AMOUNT THE INDIVIDUAL OWES FOR THE CARE AS AN INDIVIDUAL ELIGIBLE FOR FINANCIAL ASSISTANCE ("HAP-ELIGIBLE") (ASSUMING THE INDIVIDUAL IS ELIGIBLE FOR ASSISTANCE OTHER THAN FREE CARE) AND HOW THAT AMOUNT WAS DETERMINED AND STATES, OR DESCRIBES HOW THE INDIVIDUAL CAN GET INFORMATION REGARDING, THE AMOUNTS GENERALLY BILLED FOR THE CARE -REFUND TO THE INDIVIDUAL ANY AMOUNT HE OR SHE HAS PAID FOR THE CARE (WHETHER TO THE HOSPITAL FACILITY OR ANY OTHER PARTY TO WHOM THE HOSPITAL FACILITY HAS REFERRED OR SOLD THE INDIVIDUAL'S DEBT FOR THE CARE) THAT EXCEEDS THE AMOUNT HE OR SHE IS DETERMINED TO BE PERSONALLY RESPONSIBLE FOR PAYING AS A HAP-ELIGIBLE INDIVIDUAL. UNLESS SUCH AMOUNT IS LESS THAN \$5 (OR SUCH OTHER AMOUNT PUBLISHED IN THE INTERNAL REVENUE BULLETIN). -TAKE ALL REASONABLE AVAILABLE MEASURES TO REVERSE ANY EXTRAORDINARY COLLECTION ACTIONS ("ECAS") (WITH THE EXCEPTION OF A SALE OF DEBT) TAKEN AGAINST THE INDIVIDUAL TO OBTAIN PAYMENT FOR THE CARE. <p>AFTER DETERMINING FINANCIAL ASSISTANCE ELIGIBILITY, SIH TAKES THE FOLLOWING ACTIONS AT LEAST 30 DAYS BEFORE FIRST INITIATING ONE OR MORE OF THE ABOVE ECAS TO OBTAIN PAYMENT FOR CARE:</p> <ul style="list-style-type: none"> - PROVIDE THE INDIVIDUAL WITH A WRITTEN NOTICE THAT INDICATES FINANCIAL ASSISTANCE IS AVAILABLE FOR ELIGIBLE INDIVIDUALS, IDENTIFIES THE ECA(S) THAT SIH (OR OTHER AUTHORIZED PARTY) INTENDS TO INITIATE TO OBTAIN PAYMENT FOR THE CARE, AND STATES A DEADLINE AFTER WHICH SUCH ECA(S) MAY BE INITIATED THAT IS NO EARLIER THAN 30 DAYS AFTER THE DATE THAT THE WRITTEN NOTICE IS PROVIDED. -PROVIDE THE INDIVIDUAL WITH A PLAIN LANGUAGE SUMMARY OF THE HAP WITH THE WRITTEN NOTICE DESCRIBED ABOVE. -MAKE A REASONABLE EFFORT TO ORALLY NOTIFY THE INDIVIDUAL ABOUT SIH'S HAP AND ABOUT HOW THE INDIVIDUAL MAY OBTAIN ASSISTANCE WITH THE HAP APPLICATION PROCESS.
SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT	<p>A COMPLETE COPY OF THE ORGANIZATION'S MOST RECENTLY CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION STRATEGY CAN BE FOUND AT: HTTP://WWW.SIH.NET/ABOUT/COMMUNITY-BENEFITS/. THE COMMUNITY BENEFITS DEPARTMENT AT SIHS REGULARLY ASSESSES THE NEEDS WITHIN THE COMMUNITY AND PROVIDES PROGRAMS IN ORDER TO MEET THE NEEDS IN SURROUNDING AREAS.</p>
SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION	<p>SIH TAKES THE FOLLOWING STEPS TO NOTIFY PATIENTS ABOUT THE AVAILABILITY OF THE HEALTHCARE ASSISTANCE POLICY ("HAP"):</p> <ul style="list-style-type: none"> -FINANCIAL ASSISTANCE NOTICES ARE PLACED IN ALL DEPARTMENTS REGISTERING PATIENTS. -SIH WILL POST SIGNAGE IN ENGLISH AND SPANISH REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE. -SIH'S WEBSITE POSTS NOTICE OF FINANCIAL ASSISTANCE THROUGH THE HEALTHCARE ASSISTANCE PROGRAM AND APPLICATIONS IN ENGLISH AND SPANISH. -INFORMATION REGARDING HAP IS AVAILABLE IN ALL PATIENT INTAKE OFFICES AND IN OTHER PUBLIC LOCATIONS WITHIN THE HOSPITAL. (UPON REQUEST WITHOUT CHARGE). -REGISTRARS INFORM ALL PATIENTS OF THE HEALTHCARE ASSISTANCE PROGRAM, AND OFFERS A PLAIN LANGUAGE SUMMARY.
SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION	<p>THE PRIMARY SERVICE AREA OF SOUTHERN ILLINOIS HEALTHCARE IS A SEVEN-COUNTY REGION IN SOUTHERN ILLINOIS THAT INCLUDES PERRY, JACKSON, FRANKLIN, WILLIAMSON, UNION, JOHNSON, AND SALINE COUNTIES. THE COMBINED POPULATION OF THIS AREA IS APPROXIMATELY 245,000. MEDIAN HOUSEHOLD INCOMES IN THE AREA ARE SUBSTANTIALLY LESS THAN THE STATEWIDE AVERAGE. ALL SEVEN COUNTIES HAVE MORE RESIDENTS LIVING IN POVERTY THAN THE STATE AVERAGE. THE POPULATION OF THIS AREA AS A WHOLE IS LARGELY HOMOGENEOUS WITH GREATER THAN 95% OF THE POPULATION BEING WHITE. JACKSON COUNTY IS THE MOST DIVERSE OF THE COUNTIES WITH 78.5% OF THE POPULATION BEING WHITE, 14.7% AFRICAN AMERICAN AND THE REMAINDER HISPANIC AND ASIAN/PACIFIC ISLANDER.</p> <p>EIGHT NON-SIH HOSPITALS EXIST WITHIN THE 7-COUNTY PRIMARY MARKET AREA. THE MARION VA MEDICAL CENTER IN MARION (WILLIAMSON COUNTY) IS A 55-BED ACUTE CARE FACILITY OWNED AND OPERATED BY THE US DEPARTMENT OF VETERANS AFFAIRS. HEARTLAND REGIONAL MEDICAL CENTER, ALSO LOCATED IN MARION, IS A 92-BED ACUTE CARE HOSPITAL OWNED BY COMMUNITY HEALTH SYSTEMS (CHS). HARRISBURG MEDICAL CENTER IN HARRISBURG (SALINE COUNTY) IS LICENSED FOR 45 ACUTE CARE BEDS PLUS 31 ACUTE MENTAL ILLNESS BEDS. THE REMAINING FACILITIES ARE 25-BED CRITICAL ACCESS HOSPITALS: FERRELL HOSPITAL IN ELDORADO (SALINE COUNTY); FRANKLIN HOSPITAL IN BENTON (FRANKLIN COUNTY); MARSHALL BROWNING HOSPITAL IN DU QUOIN (PERRY COUNTY); PINCKNEYVILLE COMMUNITY HOSPITAL IN PINCKNEYVILLE (PERRY COUNTY); AND CHS-OWNED UNION COUNTY HOSPITAL DISTRICT IN ANNA (UNION COUNTY). HARRISBURG MEDICAL CENTER AND MARSHALL BROWNING HOSPITAL HAVE AFFILIATION AGREEMENTS WITH SOUTHERN ILLINOIS HEALTHCARE. EACH OF THE SEVEN COUNTIES WITHIN THE PRIMARY MARKET AREA HAS BEEN FEDERALLY DESIGNATED AS A HEALTH PROFESSIONAL SHORTAGE AREA, AND AT LEAST A PORTION OF EACH COUNTY HAS BEEN FEDERALLY DESIGNATED AS A MEDICALLY UNDERSERVED AREA OR HAVING A MEDICALLY UNDERSERVED POPULATION.</p>
SCHEDULE H, PART VI, LINE 5 - PROMOTION OF	<p>SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS DEDICATED TO PROMOTING THE HEALTH AND WELL BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE. OUR MISSION IS GUIDED BY OUR VALUES:</p>

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COMMUNITY HEALTH	<p>COMPASSION, COLLABORATION, QUALITY, STEWARDSHIP, INTEGRITY, ACCOUNTABILITY AND RESPECT. OVER 3,300 EMPLOYEES, ALONG WITH PHYSICIANS AND VOLUNTEERS, ARE WORKING TOGETHER TO ACHIEVE OUR MISSIONS AND ENSURE THAT THE HEALTH CARE NEEDS OF THOSE WE SERVE ARE MET BY TREATING PATIENTS IN SIHS FACILITIES, BY OFFERING SERVICES IN RURAL CLINICS, BY COLLABORATING WITH SOME OF AMERICA'S BEST HOSPITALS AND BY IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITIES WITH OUR CHARITABLE COMMUNITY BENEFITS PROGRAMS. SIHS PROVIDES QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY.</p> <p>SIHS OPERATES 3 COMMUNITY HOSPITALS WITH A COMBINED TOTAL OF 279 BEDS. EACH HOSPITAL OPERATES A FULL TIME EMERGENCY ROOM. NO ONE IS DENIED CARE OR TREATMENT WITHIN THE HOSPITALS OR EMERGENCY ROOMS. MEDICAL STAFF PRIVILEGES ARE AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, CONSISTENT WITH THE SERVICES PROVIDED AT EACH FACILITY. THE BOARD OF TRUSTEES OF SIHS IS COMPRISED OF 13 MEMBERS. THESE MEMBERS ARE COMPRISED OF LOCAL COMMUNITY LEADERS, PHYSICIANS AND OUR CEO. THE MAJORITY OF THE BOARD IS COMPRISED OF PERSONS WHO ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR FAMILY MEMBERS THEREOF.</p> <p>SIHS INVESTS EXCESS FUNDS FROM OPERATIONS INTO THE EXPANSION AND REPLACEMENT OF EXISTING FACILITIES AND EQUIPMENT, REPAYMENT OF DEBT AND IMPROVEMENT IN PATIENT CARE. SOUTHERN ILLINOIS HOSPITAL SERVICES HAS ALSO EXTENDED ITS SERVICES BEYOND HOSPITAL WALLS AND INTO THE NEIGHBORHOODS WHERE PEOPLE LIVE AND WORK. ANNUALLY OPERATING FUNDS ARE ALLOCATED SPECIFICALLY TO BRING HEALTH-RELATED PROGRAMS TO THE AREAS IN WHICH THEY ARE MOST NEEDED. OUR GOAL IS TO RESPOND TO IDENTIFIED COMMUNITY HEALTH NEEDS, INCREASE ACCESS TO CARE, LEAD AND SERVE AS A EXAMPLE TO OTHERS IN SERVICE TO THE COMMUNITY AND IMPROVE THE OVERALL HEALTH STATUS OF THOSE IN THE COMMUNITIES SERVED BY SIH FACILITIES. CURRENTLY, THE COMMUNITY BENEFITS DEPARTMENT OF SIHS COLLABORATES WITH SOUTHERN ILLINOIS SCHOOLS TO ADDRESS CHILDHOOD OBESITY. INCLUDED IN THIS INITIATIVE ARE THE COORDINATED SCHOOL HEALTH PROGRAM, CATCH (COORDINATED APPROACH TO CHILD HEALTH) PROGRAM AND SCHOOL BASED FITNESS ASSESSMENT AND TRAINING FOR PHYSICAL EDUCATION TEACHERS.</p> <p>A HEALTH MINISTRY INITIATIVE, AIDING THE REGION'S FAITH COMMUNITIES THROUGH THE TRAINING AND SUPPORT OF PARISH NURSES, IS AN ONGOING EFFORT OF THE DEPARTMENT. OVER 140 PARISH NURSES HAVE BEEN TRAINED AND ARE BEING SUPPORTED IN THE HEALTH PROMOTION WORK OF THEIR RESPECTIVE FAITH COMMUNITIES TO DATE. OVER 34,000 CONTACTS WERE MADE DURING THE CURRENT YEAR.</p> <p>ALSO THE DEPARTMENT IS ACTIVE IN THE CREATION AND FACILITATION OF HEALTHY COMMUNITY COALITIONS. THESE GROUPS INCLUDE HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CONCERNED CITIZENS AND OTHER COMMUNITY GROUPS INTERESTED IN IMPROVING THE HEALTH OF THEIR RESPECTIVE COMMUNITIES. THE GROUPS SEEK TO MEET LOCALLY IDENTIFIED COMMUNITY HEALTH NEEDS AND THROUGH THE IMPLEMENTATION OF PROGRAMS THAT ADDRESS THE DEMONSTRATED UNMET HEALTH NEEDS OF THE RESIDENTS OF THE COMMUNITIES SERVED. THESE COALITIONS MAKE A SIGNIFICANT IMPACT ON THE LIVES OF THOSE WITHIN THE COMMUNITIES SERVED BY SIHS.</p> <p>CURRENTLY, STAFF IS ENGAGED IN NUMEROUS COMMUNITY HEALTH PROMOTION, EDUCATION, AND PREVENTION INITIATIVES. AN INCREASE IN ACCESS TO PRIMARY HEALTH, BEHAVIORAL HEALTH, AND ORAL HEALTH CARE SERVICES HAS BEEN AFFECTED THROUGH THE SIHS SUPPORT OF EXISTING AND DEVELOPING COMMUNITY-BASED INTERVENTIONS. INCREASED NUMBERS OF COLLABORATIVE PARTNERSHIPS THAT SUPPORT INCREASED INDIVIDUAL AND COMMUNITY CAPACITY TO ACHIEVE A HEALTHY COMMUNITY VISION ARE ONGOING.</p> <p>IN ORDER TO ACCOMPLISH THE ORGANIZATION'S MISSION AS WELL AS THE OVERALL GOALS PREVIOUSLY OUTLINED, THE COMMUNITY BENEFITS DEPARTMENT OF SOUTHERN ILLINOIS HEALTHCARE IMPLEMENTS A NUMBER OF DIRECTED INITIATIVES. FOLLOWING IS A DESCRIPTION OF THESE INITIATIVES, THE SPECIFIC GOALS AND OBJECTIVES TO BE ACHIEVED FOR FY16, AND AN OUTLINE OF THE MEANS BY WHICH DEPARTMENT STAFF WILL WORK TO PLAN, IMPLEMENT, AND EVALUATE THESE PROGRAMS.</p> <p>THE COORDINATED SCHOOL HEALTH PROGRAM IS WORKING TO REDUCE THE GROWTH OF CHILDHOOD OBESITY AND IMPROVE THE OVERALL HEALTH AND WELL-BEING OF CHILDREN AND ADOLESCENTS. THE GOAL IS TO INCREASE THE NUMBER OF SCHOOLS INVOLVED IN THE SIH PROGRAMS AND TO INCREASE ACTIVE PE TIME.</p> <p>THE HEALTH MINISTRY PROGRAM COLLABORATES WITH SOUTHERN ILLINOIS FAITH COMMUNITIES TO IMPROVE THE HEALTH AND WELLNESS OF PEOPLE IN THE COMMUNITIES THEY SERVE. EMPHASIZING WHOLENESS OF BODY, MIND AND SPIRIT. FAITH COMMUNITIES WITH A HEALTH MINISTRY OFFER HEALTH PROMOTION AND EDUCATION ACTIVITIES; ADVOCACY AND REFERRAL; AND CARING SPIRITUAL SUPPORT. THE GOAL IS TO RAISE AWARENESS OF THE PARISH NURSING SPECIALTY AND ESTABLISH NEW HEALTH MINISTRIES.</p> <p>THE FOCUS OF THE SIH HEALTH COMMUNITIES PROGRAM IS TO IMPROVE THE COMMUNITY HEALTH THROUGH TIMELY ASSESSMENT OF NEEDS AND FACILITATING THE PLANNING, IMPLEMENTATION, AND EVALUATION OF COMMUNITY BASED PROGRAMS AND SERVICES. THE GOAL IS TO INCREASE COLLABORATIVE CAPACITY OF LOCAL AGENCIES AND TO DEVELOP A REGIONAL CHRONIC DISEASE/DIABETES SELF MANAGEMENT PROGRAM.</p> <p>SIH PROVIDES FUNDING TO SPONSOR ACTIVITIES AND EVENTS IN THE COMMUNITY TO PROMOTE AND ENCOURAGE HEALTHY AND ACTIVE LIFESTYLES. SPONSORED EFFORTS HELP BUILD A SUSTAINABLE COMMUNITY-LINKED INFRASTRUCTURE AND A HEALTH ENHANCING ENVIRONMENT.</p> <p>ON AN ON-GOING BASIS, COMMUNITY BENEFIT DEPARTMENT STAFF PARTICIPATES IN AND FACILITATES A VARIETY OF BOARDS, COALITIONS, NETWORKS, COMMISSIONS, COMMITTEES, PARTNERSHIPS AND PANELS. SPENDING TIME IN THE COMMUNITY ENABLE STAFF TO BRING BACK FIRST-HAND KNOWLEDGE OF COMMUNITY NEEDS, EXISTING RESOURCES, AND IDENTIFY OPPORTUNITIES FOR CLINICAL AND COMMUNITY LINKAGES.</p>
SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF	SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS PART OF A LARGER SYSTEM THAT PROVIDES HEALTH SERVICES TO THE POPULATION OF SOUTHERN ILLINOIS. SIHS PROVIDES CARE THROUGH ITS THREE

Return Reference - Identifier	Explanation
AFFILIATED GROUP	HOSPITALS AND ONE COMMUNITY HEALTH CENTER. SOUTHERN ILLINOIS MEDICAL SERVICES (SIMS) PROVIDES CARE THROUGH PHYSICIAN PRACTICES. THESE PRACTICES ARE COMPRISED OF THE CENTER FOR MEDICAL ARTS, LOGAN PRIMARY CARE, PHYSICIAN CARE GROUP, INDIVIDUAL PHYSICIAN PRACTICES, HOSPITAL PHYSICIANS AND EMERGENCY ROOM PHYSICIANS. SIHS AND SIMS WORK TOGETHER IN PROVIDING CARE AND TREATMENT OF THE MEDICALLY SICK, INJURED OR AFFLICTED. BOTH PROVIDE QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY.
SCHEDULE H, PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT	IL

**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" on Form 990, Part IV, line 21 or 22.

OMB No. 1545-0047

2015

Open to Public
Inspection

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

► Attach to Form 990.

Name of the organization

Employer identification number

SOUTHERN ILLINOIS HOSPITAL SERVICES

37-0618939

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. Yes No

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

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance	
(1) LAND OF LINCOLN LEGAL ASST FOUNDATION 508 S UNIVERSITY AVE, 3RD FLOOR, CARBONDALE, IL 62901	37-0958448	501(C)(3)	85,000	0			(SEE STATEMENT)	
(2) THE H GROUP 902 WEST MAIN ST, WEST FRANKFORT, IL 62886	37-0916475	501(C)(3)	16,500	0			(SEE STATEMENT)	
(3) SOUTHERN ILLINOIS UNIVERSITY 1235 DOUGLAS DRIVE, CARBONDALE, IL 62901	37-6005961	GOVERNMENT ENTITY	31,350	0			(SEE STATEMENT)	
(4) AMERICAN CANCER SOCIETY 3870 PAYSHERE CIRCLE, CHICAGO, IL 60674	13-1788491	501(C)(3)	10,000	0			(SEE STATEMENT)	
(5) ILLINOIS POISON CENTER 222 S RIVERSIDE PLAZA, SUITE 1900, CHICAGO, IL 60606	37-2167008	501(C)(3)	23,132	0			(SEE STATEMENT)	
(6) HERRIN CHAMBER OF COMMERCE 3 SOUTH PARK AVE, SUITE A, HERRIN, IL 62948	37-0618499	501(C)(6)	14,752	0			(SEE STATEMENT)	
(7) WOMENT FOR HEALTH & FITNESS 700 LOGAN COLLEGE ROAD, CARTERSVILLE, IL 62818	37-1331447	501(C)(3)	12,500	0			(SEE STATEMENT)	
(8) JACKSON COUNTY HEALTH DEPARTMENT 415 HEALTH DEPT ROAD, MURPHYSBORO, IL 62856	37-6001092	GOVERNMENT ENTITY	10,000	0			(SEE STATEMENT)	
(9) SIU FOUNDATION PO BOX 19666, SPRINGFIELD, IL 62794	37-6024575	501(C)(3)	5,400	0			(SEE STATEMENT)	
(10) SOUTHERN SEVEN HEALTH DEPARTMENT 260 LICK CREEK ROAD, ANNA, IL 62906	37-1069423	GOVERNMENT ENTITY	10,000	0			(SEE STATEMENT)	
(11) EGYPTIAN HEALTH DEPARTMENT 1412 US 45 SOUTH, ELDORADO, IL 62930	37-6006931	GOVERNMENT ENTITY	10,000	0			(SEE STATEMENT)	
(12) (SEE STATEMENT)								
2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table								17
3 Enter total number of other organizations listed in the line 1 table								1

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

Cat. No. 50055P

Schedule I (Form 990) (2015)

Part II Grants and Other Assistance to Governments and Organizations in the United States (continued)

(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
(12) PERRY COUNTY HEALTH DEPARTMENT PO BOX 49, 907 WEST MAIN ST, PINKNEYVILLE, IL 62274	37-6001795	GOVERNMENT ENTITY	10,000	0			GENERAL PROGRAM FUNDING
(13) FRANKLIN/WILLIAMSON HEALTH DEPARTMENT 2312 WEST MAIN, MARION, IL 62959	37-6021157	GOVERNMENT ENTITY	10,000	0			GENERAL PROGRAM FUNDING
(14) RANDOLPH COUNTY HEALTH DEPARTMENT 2515 STATE STREET, CHESTER, IL 62233	37-6001873	GOVERNMENT ENTITY	10,000	0			GENERAL PROGRAM FUNDING
(15) AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVENUE, DALLAS, TX 75231	13-5613797	501(C)(3)	30,000	0			GENERAL PROGRAM FUNDING
(16) OUR LADY OF MT CARMEL SCHOOL 316 WEST MONROE ST, HERRIN, IL 62948	37-0711803	501(C)(3)	7,199	0			GENERAL PROGRAM FUNDING
(17) SHAWNEE HEALTH SERVICES PO BOX 577, 109 CALIFORNIA ST, CARTERSVILLE, IL 62918	37-0966854	501(C)(3)	50,000	0			GENERAL PROGRAM FUNDING
(18) CARBONDALE PARK DISTRICT 1115 WEST SYCAMORE ST, CARBONDALE, IL 62903	37-6001080	GOVERNMENT ENTITY	13,811	0			GENERAL PROGRAM FUNDING

Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	LAND OF LINCOLN LEGAL ASST FOUNDATION: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	THE H GROUP: GENERAL PRORAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	SOUTHERN ILLINOIS UNIVERSITY: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	AMERICAN CANCER SOCIETY: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	ILLINOIS POISON CENTER: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	HERRIN CHAMBER OF COMMERCE: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	WOMENT FOR HEALTH & FITNESS: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	JACKSON COUNTY HEALTH DEPARTMENT: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	SIU FOUNDATION: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	SOUTHERN SEVEN HEALTH DEPARTMENT: GENERAL PROGRAM FUNDING
SCHEDULE I, PART II , COLUMN H - PURPOSE OF GRANT OR ASSISTANCE	EGYPTIAN HEALTH DEPARTMENT: GENERAL PROGRAM FUNDING
SCHEDULE I, PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANT FUNDS.	ALL GRANTS MADE ARE UNRESTRICTED AND CAN BE USED IN ANY WAY THE DONEE ORGANIZATION SEES FIT TO FURTHER ITS EXEMPT PURPOSE.

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

2015

**Open to Public
Inspection**

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <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 checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	✓ ✓ ✓	
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" to line 5a or 5b, describe in Part III.		✓ ✓
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes" on line 6a or 6b, describe in Part III.		✓ ✓
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III		✓
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		✓
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

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

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

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation					(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(iv) Other reportable compensation	(v) Other reportable compensation				
1 REX BUDDÉ PRESIDENT/CEO	544,254	37,838	225,350	204,975	25,587	1,038,004	192,880		
2 DAVID HOLLAND FORMER VP	0	0	317,222	0	20,148	337,370	60,199		
3 MIKE KASSER VP/CFO/TREASURER	351,262	25,076	151,787	98,772	40,897	667,794	120,108		
4 WILLIAM SHERWOOD VP/ GENERAL COUNSEL	267,510	19,410	259,910	121,787	45,747	714,364	228,861		
5 JULIE FIRMAN VP/CNO	222,920	16,636	92,558	62,920	20,714	415,748	64,179		
6 PHILIP SCHAEFER VP/ AMB & PHYS SERVICES	316,570	22,791	132,416	106,656	40,391	618,824	105,099		
7 PAM HENDERSON VP/ HR	224,015	16,002	89,899	65,942	8,016	403,874	59,595		
8 JOHN B MILLSTEAD VP/ ADMINISTRATOR	369,126	26,277	140,969	121,256	45,707	703,335	111,384		
9 WILLIAM THORNE VP/ COMMUNITY BENEFITS	189,507	13,934	76,641	52,764	42,698	375,544	38,647		
10 TERENCE FARRELL VP/ ADMINISTRATOR	302,993	22,020	113,245	94,667	36,418	569,343	76,935		
11 JOHN BROTHERS VP/ADMINISTRATOR PARTIAL YEAR UNTIL MAY 2015	52,530	15,595	315,194	3,052	6,772	393,143	208,640		
12 SHELLY PIERCE VP/QUALITY	214,043	15,394	42,882	39,094	16,244	327,657	14,562		
13 MARGI L MOORE-CONNELLY, MD VP/CMO	346,792	23,793	27,624	42,543	12,156	452,908	0		
14 GERALD MOUREY VP/INFO SYSTEMS PARTIAL YEAR AS OF JUL 2015	123,320	0	27,577	2,280	5,359	158,536	0		
15 THOMAS HENTRICH PHARMACIST	179,111	0	14,998	6,694	31,286	232,089	0		
16 (SEE STATEMENT)	0	0	0	0	0	0	0		

Part II

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

(a) Name	(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
⁽¹⁶⁾ DANIEL SKILES EXEC DIRECTOR PHO	(i)	197,427	0	8,196	32,215	247,793	0
	(ii)	0	0	0	0	0	0
⁽¹⁷⁾ ROBERT SELF SYSTEM PHARMACY DIRECTOR	(i)	223,201	0	8,131	35,134	283,866	0
	(ii)	0	0	0	0	0	0
⁽¹⁸⁾ CLAUDIA CREWS STAFF PHARMACIST	(i)	158,935	0	6,797	42,118	229,176	0
	(ii)	0	0	0	0	0	0
⁽¹⁹⁾ CHARLES BROOKS STAFF NURSE	(i)	173,989	0	1,259	31,210	215,981	0
	(ii)	0	0	0	0	0	0

Part III

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

Return Reference - Identifier	Explanation
SCHEDULE J, PART I, LINE 4A - SEVERANCE OR CHANGE-OF-CONTROL PAYMENT	DAVE HOLLAND, VP/INFO SYSTEMS, RECEIVED SEVERANCE PAYMENTS OF \$236,799
SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	<p>THE ORGANIZATION MADE THE FOLLOWING SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS/CONTRIBUTIONS:</p> <p>REX BUDDE - \$192,880 PAYMENT, \$194,375 DEFERRED COMPENSATION PAM HENDERSON - \$59,594 PAYMENT, \$56,556 DEFERRED COMPENSATION DAVE HOLLAND - \$60,199 PAYMENT, NO DEFERRED COMPENSATION MIKE KASSER - \$120,108 PAYMENT, \$88,172 DEFERRED COMPENSATION BART MILLSTEAD - \$111,384 PAYMENT, \$110,656 DEFERRED COMPENSATION PHIL SCHAEFER - \$105,099 PAYMENT; \$96,056 DEFERRED COMPENSATION BILL SHERWOOD - \$228,861 PAYMENT, \$111,187 DEFERRED COMPENSATION JULIE FIRMAN - \$64,179 PAYMENT, \$55,219 DEFERRED COMPENSATION WILLIAM THORNE - \$38,647 PAYMENT, \$44,483 DEFERRED COMPENSATION TERENCE FARRELL - \$76,935 PAYMENT, \$85,858 DEFERRED COMPENSATION SHELLY PIERCE - \$14,562 PAYMENT, \$31,151 DEFERRED COMPENSATION JOHN BROTHERS - \$255,738 PAYMENT, NO DEFERRED COMPENSATION MARC MOORE-CONNELLY - NO PAYMENT, \$32,984 DEFERRED COMPENSATION GERALD MOUREY - NO PAYMENT, \$2,280 DEFERRED COMPENSATION</p>

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

OMB No. 1545-0047

2015

Open to Public Inspection

Employer identification number
37-0618939

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FS42	02/18/2010	68,985,878	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
B	ILLINOIS FINANCE AUTHORITY	86-1091967		10/27/2011	14,420,000	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
C	ILLINOIS FINANCE AUTHORITY	86-1091967		07/01/2014	127,215,000	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
D												

Part II Proceeds

	A		B		C		D	
	2010	2011	2010	2011	2010	2011	2010	2011
1	Amount of bonds retired	200,000	10,005,000	3,130,000				
2	Amount of bonds legally defeased	0	0	0				
3	Total proceeds of issue	68,985,878	14,420,000	127,215,000				
4	Gross proceeds in reserve funds	0	0	0				
5	Capitalized interest from proceeds	0	0	0				
6	Proceeds in refunding escrows	0	0	0				
7	Issuance costs from proceeds	0	282,518	979,638				
8	Credit enhancement from proceeds	0	0	0				
9	Working capital expenditures from proceeds	0	0	0				
10	Capital expenditures from proceeds	0	108,379,362	108,379,362				
11	Other spent proceeds	68,985,878	14,137,482	17,856,000				
12	Other unspent proceeds	0	0	0				
13	Year of substantial completion	2010	2011	2015				

14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No
15	Were the bonds issued as part of an advance refunding issue?	✓		✓			
16	Has the final allocation of proceeds been made?	✓		✓		✓	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓	

Part III Private Business Use

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

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Cat. No. 50193E

Schedule K (Form 990) 2015

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	✓		✓		✓			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	✓		✓		✓			
c Are there any research agreements that may result in private business use of bond-financed property?	✓		✓		✓			
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	✓		✓		✓			
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government . . . ▶		0.00 %		0.00 %		0.00 %		
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶		0.00 %		0.00 %		0.00 %		
6 Total of lines 4 and 5		0.00 %		0.00 %		0.00 %		
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		✓		✓		✓		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓			

Part IV Arbitrage

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

Part VI

Supplemental Information. Supplemental Information Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Return Reference - Identifier	Explanation
SCHEDULE K, PART I, COLUMN (F) - EXPLANATION OF BOND ISSUE	2014 BOND ISSUE - THE BOND ISSUE CONTAINS TWO BONDS ISSUED AT THE SAME TIME. IT INCLUDES REVENUE BONDS IN THE AMOUNT OF \$75,580,000 AND REVENUE REFUNDING BONDS IN THE AMOUNT OF \$51,635,000. THESE BONDS WERE REPORTED ON ONE FORM 8038. 2011 BOND ISSUE - THE BOND ISSUE FINANCED CAPITAL EXPENDITURES AND REFUNDED THE 2008 VARIABLE RATE DEMAND REVENUE BONDS WHICH HAD A DEEMED REISSUANCE IN 2011. 2010 BOND ISSUE - THE BOND ISSUE REFUNDED THE 1998 BOND ISSUE.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2015

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number
37-0618939

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

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

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

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

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1) (SEE STATEMENT)									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ▶						\$	77,334					

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

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

Part II Loans to and/or From Interested Persons (continued)

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(10) TERENCE FARRELL	OFFICER	SALE OF PERSONAL RESIDENCE		✓	75,483	75,483		✓	✓		✓	
(11) LIAM FARRELL	SON OF TERENCE FARRELL	TUITION ASSISTANCE		✓	11,500	1,851		✓	✓		✓	

Part IV Business Transactions Involving Interested Persons (continued)

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) LIAM FARRELL	SON OF VP/ADMINISTRATOR TERENCE FARRELL	\$68,855	EMPLOYEE COMPENSATION		✓
(2) DAVID FISCHER	SON-IN-LAW OF VP/CFO MIKE KASSER	\$63,336	EMPLOYEE COMPENSATION		✓
(3) ANGELA MOTT	DAUGHTER OF VP/INFO SYSTEMS DAVID HOLLAND	\$14,996	EMPLOYEE COMPENSATION		✓
(4) COLIN FARRELL	SON OF VP/ADMINISTRATOR TERENCE FARRELL	\$19,192	EMPLOYEE COMPENSATION		✓
(5) AMANDA FARRELL	DAUGHTER-IN-LAW OF VP/ADMINISTRATOR TERENCE FARRELL	\$23,659	EMPLOYEE COMPENSATION		✓

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.

Name of the Organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer Identification Number
37-0618939

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION	(CONTINUED FROM PART III) OVER 3,300 EMPLOYEES, ALONG WITH PHYSICIANS AND VOLUNTEERS, ARE WORKING TOGETHER TO ACHIEVE OUR MISSION AND ENSURE THAT THE HEALTH CARE NEEDS OF THOSE WE SERVE ARE MET BY TREATING PATIENTS IN SIHS FACILITIES, BY OFFERING SERVICES IN RURAL CLINICS, BY COLLABORATING WITH SOME OF AMERICA'S BEST HOSPITALS AND BY IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITIES WITH OUR CHARITABLE COMMUNITY BENEFITS PROGRAMS. OUR SERVICES ARE PROVIDED REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY.

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 4A - HOSPITAL SERVICES	<p>(CONTINUED FROM PART III) THE FACILITIES THAT MAKE UP SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) INCLUDE:</p> <p>MEMORIAL HOSPITAL OF CARBONDALE: OPENED IN 1950, MEMORIAL HOSPITAL OF CARBONDALE, WITH 140 LICENSED BEDS, IS THE FLAGSHIP HOSPITAL FOR SIH AND A REGIONAL REFERRAL CENTER FOR THE 16 COUNTY SOUTHERN ILLINOIS REGION. PHYSICIANS IN NEARLY 40 DIFFERENT SPECIALTIES PRACTICE HERE, BRINGING EXPERTISE AND NEW PROCEDURES, BUT SUCCESSFULLY TAILORING THEM TO THE PARTICULAR NEEDS OF A RURAL SETTING. IT IS HOME TO THE FIRST OPEN HEART SURGERY PROGRAM IN THE IMMEDIATE SOUTHERN ILLINOIS AREA AND IS THE CORE HOSPITAL FOR SIH'S COMPREHENSIVE, REGIONAL HEART PROGRAM, PRAIRIE HEART INSTITUTE. THE REGION'S ONLY PRIMARY STROKE CENTER IS LOCATED WITHIN THIS HOSPITAL. THE HOSPITAL IS ALSO HOME TO A COMMISSION ON CANCER ACCREDITED COMPREHENSIVE CANCER TREATMENT CENTER, THE ONLY LEVEL II PLUS NEO-NATAL INTENSIVE CARE UNIT, AND THE ONLY PEDIATRIC UNIT IN THE IMMEDIATE SOUTHERN ILLINOIS AREA. THE HOSPITAL IS AFFILIATED WITH SOUTHERN ILLINOIS UNIVERSITY'S MEDICAL SCHOOL THROUGH ITS FAMILY PRACTICE RESIDENCY PROGRAM.</p> <p>HERRIN HOSPITAL: OPENED IN 1913, HERRIN HOSPITAL WAS THE FIRST HOSPITAL OWNED AND OPERATED BY THE ORGANIZATION. HERRIN HOSPITAL CURRENTLY OPERATES 85 LICENSED BEDS. IT IS ALSO HOME TO THE 29 BED ACUTE REHABILITATION CENTER, AN AFFILIATE PROGRAM WITH THE REHABILITATION INSTITUTE OF CHICAGO, RECOGNIZED AS THE TOP REHABILITATION HOSPITAL IN AMERICA. A RECENT RENOVATION UPGRADED PATIENT ACCOMMODATIONS TO INCLUDE PRIVATE ROOMS AND IMPROVED ACCESS TO OUTPATIENT SERVICES BY RELOCATING THOSE SERVICES TO THE MAIN FLOOR. THE AREA'S ONLY BARIATRIC SURGICAL PROGRAM FOR WEIGHT LOSS IS HOUSED AT THIS HOSPITAL AS WELL AS BEING THE REGION'S FIRST ACCREDITED CHEST PAIN CENTER.</p> <p>ST. JOSEPH MEMORIAL HOSPITAL: ST JOSEPH MEMORIAL HOSPITAL IS LOCATED IN MURPHYSBORO, ILLINOIS AND IS A FULL-SERVICE, CRITICAL ACCESS HOSPITAL WITH 25 LICENSED BEDS. ST. JOSEPH OPENED ON OCTOBER 1, 1960 AND WAS ACQUIRED BY SOUTHERN ILLINOIS HOSPITAL SERVICES ON JANUARY 5, 1995 FROM THE SISTERS OF THE ASC HEALTH SYSTEM. ST JOSEPH'S CATHOLIC IDENTITY HAS BEEN RETAINED BY SIHS SINCE THE PURCHASE AND THE STAFF TAKES PRIDE IN THE HOSPITAL'S SPIRITUAL ROOTS. ST. JOSEPH HAS EVOLVED OVER TIME TO BECOME A REGIONAL PROVIDER OF SPECIALIZED OUTPATIENT SERVICES. THESE SPECIALIZED SERVICES INCLUDE A SLEEP DISORDERS CENTER ACCREDITED BY THE AMERICAN ACADEMY OF SLEEP MEDICINE, THE AREA'S ONLY COORDINATED INFUSION THERAPY PROGRAM, A WOUND CARE CENTER WITH HYPERBARIC THERAPY, AND AN OUTPATIENT GERIATRIC COUNSELING PROGRAM.</p> <p>MINERS MEMORIAL HEALTH CENTER: WEST FRANKFORT, ILLINOIS IS HOME TO MINERS MEMORIAL HEALTH CENTER. THE HEALTH CENTER HOUSES A PHYSICIAN SPECIALTY CLINIC THAT OFFERS VISITING SPECIALISTS INCLUDING UROLOGY, PODIATRY AND CARDIOLOGY. IT IS ALSO HOME TO WEST FRANKFORT FAMILY MEDICINE, WITH FAMILY MEDICINE AND OBSTETRIC PHYSICIANS FROM SIU SCHOOL OF MEDICINE, AND OFFERS MAMMOGRAPHY, X-RAY, ULTRASOUND, BONE DENSITOMETRY, AND LABORATORY SERVICES.</p> <p>SERVICES PROVIDED: DURING THIS REPORTING PERIOD, OUR HOSPITALS RECORDED 67,123 ADULT AND CHILD PATIENT DAYS AND 3,059 NEWBORN PATIENT DAYS. OUTPATIENT REGISTRATIONS TOTALED 351,894 WITH 72,791 OF THESE REGISTRATIONS BEING EMERGENCY ROOM VISITS. APPROXIMATELY 66.3% OF THESE DAYS AND REGISTRATIONS PROVIDED CARE THAT WAS CLASSIFIED AS EITHER UNCOMPENSATED CHARITY CARE OR UNCOMPENSATED GOVERNMENT HEALTH CARE. AN ADDITIONAL 1.5% OF THE CARE PROVIDED IN THESE DAYS AND REGISTRATIONS WERE WRITTEN OFF AS BAD DEBT.</p> <p>ROUTINE INPATIENT CARE AND OUTPATIENT PROCEDURES ARE PROVIDED AT ALL THREE OF OUR FACILITIES. EACH FACILITY ALSO HAS ITS OWN UNIQUE PROGRAMS AND PATIENT CARE UNITS. OUR TWO LARGER FACILITIES, CARBONDALE MEMORIAL HOSPITAL AND HERRIN HOSPITAL BOTH HOUSE INTENSIVE CARE UNITS. THESE TWO LARGER FACILITIES EACH HAVE SPECIALTY UNITS WITHIN THEIR RESPECTIVE FACILITIES. CARBONDALE MEMORIAL HOSPITAL PROVIDES OBSTETRICAL, PEDIATRICS, AND A NEONATAL NURSERY. HERRIN HOSPITAL PROVIDES THE ACUTE REHABILITATION CENTER. SURGICAL SERVICES ARE OFFERED AT ALL FACILITIES, WITH CARBONDALE MEMORIAL HOSPITAL PROVIDING OPEN-HEART AND CARDIAC SERVICES. ST. JOSEPH MEMORIAL HOSPITAL ALSO OPERATES SWING BEDS. ST. JOSEPH ALSO OFFERS UNIQUE OUTPATIENT SERVICES TO THE AREA. THE SLEEP DISORDERS CENTER OFFERS TWO LOCATIONS AND THE SENIOR RENEWAL PROGRAM OFFERS OUTPATIENT BEHAVIORAL HEALTH TREATMENT.</p> <p>SIHS HAS ALSO PROVIDED SUBSIDIZED HEALTH CARE SERVICES. SUBSIDIZED HEALTH SERVICES INCLUDE, BUT ARE NOT LIMITED TO PHYSICIAN REFERRAL CENTERS, FAMILY PRACTICE CENTERS, SENIOR MEMBERSHIP, ETC. THESE HEALTH CARE SERVICES ARE PROVIDED IN RESPONSE TO COMMUNITY NEEDS. THESE HEALTH SERVICES MUST BE SUBSIDIZED FROM OTHER REVENUE SOURCES IN ORDER TO BE PROVIDED.</p> <p>SIHS PROVIDES MEDICAL EDUCATION THROUGH AN AFFILIATION WITH THE SOUTHERN ILLINOIS UNIVERSITY'S MEDICAL SCHOOL FAMILY PRACTICE RESIDENCY PROGRAM.</p>

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 4B - COMMUNITY BENEFITS	<p>(CONTINUED FROM PART III) THE OVERARCHING GOAL OF SOUTHERN ILLINOIS HEALTHCARE'S COMMUNITY BENEFITS DEPARTMENT IS TO RESPOND TO IDENTIFIED COMMUNITY HEALTH NEEDS, INCREASE ACCESS TO CARE, LEAD AND SERVE AS AN EXAMPLE TO OTHERS IN SERVICE TO THE COMMUNITY, AND IMPROVE THE OVERALL HEALTH STATUS OF THOSE IN THE COMMUNITIES SERVED BY SIH FACILITIES. SOUTHERN ILLINOIS HEALTHCARE'S OVERALL APPROACH TO COMMUNITY BENEFITS IS TO TARGET THE INTERSECTIONS OF DOCUMENTED UNMET COMMUNITY HEALTH NEEDS AND THE ORGANIZATION'S MISSION, VALUES AND KEY STRENGTHS. COMMUNITY BENEFIT ACTIVITIES EMPHASIZE PRIMARY HEALTH CARE SERVICES, HIGH IMPACT HEALTH SCREENING AND PROMOTION, CHRONIC DISEASE PREVENTION AND MANAGEMENT, AND INCREASE ACCESS TO CARE ESPECIALLY FOR VULNERABLE AND UNDERSERVED PEOPLE. IN ORDER TO ACCOMPLISH THE ORGANIZATION'S MISSION, THE COMMUNITY BENEFITS DEPARTMENT OF SIHS IMPLEMENTS A NUMBER OF DIRECTED INITIATIVES. PROGRAMS DURING THE REPORTING YEAR INCLUDE: HEALTH MINISTRY -- THE HEALTH MINISTRY PROGRAM COLLABORATES WITH SOUTHERN ILLINOIS FAITH COMMUNITIES TO IMPROVE THE HEALTH AND WELLNESS OF PEOPLE IN THE COMMUNITIES THEY SERVE. EMPHASIZING WHOLENESS OF BODY, MIND AND SPIRIT, FAITH COMMUNITIES WITH A HEALTH MINISTRY OFFER HEALTH PROMOTION AND EDUCATION ACTIVITIES; ADVOCACY AND REFERRAL; AND CARING SPIRITUAL SUPPORT. HEALTHY COMMUNITIES -- THE FOCUS OF THE WORK IN THE AREA OF HEALTHY COMMUNITIES IS TO INCREASE THE CAPACITY OF LOCAL AGENCIES TO WORK COLLABORATIVELY TO ADDRESS THE UNMET HEALTH NEEDS WITH THE COMMUNITIES SERVED BY SIHS. STAFF WILL WORK TO IMPROVE COMMUNITY HEALTH THROUGH THE ASSESSMENT OF COMMUNITY NEEDS AND THE PLANNING, IMPLEMENTATION, AND EVALUATION OF COMMUNITY BASED HEALTH PROMOTIONS, EDUCATION, PREVENTION PROGRAMS, AND SERVICES. AN INCREASED FOCUS OF THESE ACTIVITIES WILL BE DIRECTED TO INITIATIVES ADDRESSING CARDIOVASCULAR DISEASE AND CANCER, AND THE DEVELOPMENT OF STRATEGIES, PROGRAMMING, AND INTERVENTIONS TO REDUCE SUBSTANCE ABUSE, AND THE CONTINUATION OF EFFORTS TO EXPAND ACCESS TO CARE FOR THE UNINSURED AND THE UNDER-SERVED. HEALTHY COMMUNITY COALITIONS -- THE FORMAL GATHERING OF HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CONCERNED CITIZENS, AND OTHER COMMUNITY GROUPS INTERESTED IN IMPROVING THE HEALTH OF THEIR RESPECTIVE COMMUNITIES. SIHS IS ACTIVE IN THREE SUCH COALITIONS, REPRESENTING FOUR COUNTIES -- JACKSON, PERRY, FRANKLIN AND WILLIAMSON COUNTIES. EMERGENCY ORAL HEALTH CARE -- COLLABORATION WITH LOCAL DENTAL PROVIDERS TO PROVIDE PREVENTIVE ORAL HEALTH CARE FOR MEDICAID PATIENTS; HOPEFULLY REPLACING EMERGENCY ROOM VISITS FOR TOOTH RELATED COMPLAINTS. MEDICAL LEGAL PARTNERSHIP SI -- AN INNOVATIVE PROGRAM THAT PROVIDES LEGAL ASSISTANCE TO LOW-INCOME AND UNDERINSURED ADULTS SEEKING MEDICAL CARE. THE ONGOING MEDICAL-LEGAL COLLABORATION BETWEEN LAND OF LINCOLN LEGAL SERVICES AND SIH IS ADDRESSING MANY OF THE SOCIAL ISSUES FACED BY PATIENTS CONTRIBUTING TO THEIR HEALTH CARE NEEDS. LEGAL ASSISTANCE IS PROVIDED IN THE AREAS OF PUBLIC BENEFITS, DISABILITY, FAMILY, HOUSING AND CONSUMER ISSUES. START! WALKING -- SIH IS A REGIONAL SPONSOR OF THE AMERICAN HEART ASSOCIATION'S START! WALKING GUIDE TO LOCAL PATHS AND PARKS. CURRENTLY APPROXIMATELY 50 PATHS ARE DESIGNATED AS START! WALKING PATHS. WE CHOOSE HEALTH SOUTHERNMOST ILLINOIS -- A MULTI-YEAR INITIATIVE TO ENCOURAGE AND SUPPORT PLACE-BASED POLICIES, SYSTEMS AND ENVIRONMENTAL CHANGES AIMED AT IMPROVING AND SUSTAINING HEALTH. SIH IS ENGAGED WITH LOCAL HEALTH DEPARTMENTS AND COMMUNITY PARTNERS IN THE LOWER 16 COUNTIES IN ILLINOIS TO PROMOTE HEALTHY EATING AND ACTIVE LIVING IN SCHOOLS AND WORKSITES REDUCE EXPOSURE TO SECONDHAND SMOKE IN MULTI-UNIT HOUSING COMPLEXES AND OUTDOOR PLACES, INCREASE ACCESS TO HEALTHIER FOODS AND PROMOTE BREASTFEEDING. IMPROVE OUR LOCAL BUILT ENVIRONMENT TO INCREASE OPPORTUNITIES FOR PHYSICAL ACTIVITY, AND TO IMPROVE THE SOCIAL AND EMOTIONAL HEALTH OF STUDENTS.</p>
FORM 990, PART III, LINE 4C - SCHOOL BASED HEALTH SERVICES	<p>(CONTINUED FROM PART III) THE FOLLOWING IS A SUMMARY OF THE PROGRAMS DURING THIS REPORTING YEAR: THE ILLINOIS CATCH ON TO HEALTH CONSORTIUM IS A COLLABORATIVE INITIATIVE BETWEEN THE SIU SCHOOL OF MEDICINE CENTER FOR RURAL HEALTH AND SOCIAL SERVICES DEVELOPMENT, SOUTHERN ILLINOIS HEALTHCARE, LOCAL HEALTH DEPARTMENTS AND COMMUNITY ORGANIZATION IN SOUTHERN ILLINOIS. TOGETHER OVER 80 SCHOOLS AND 20,000 STUDENTS IN THE LOWER 15 COUNTIES OF ILLINOIS HAVE BEEN IMPACTED BY THIS PROGRAM. THIS CONSORTIUM ALSO WORKED WITH SCHOOLS TO PROMOTE AND ASSIST IN THE IMPLEMENTATION OF COORDINATED SCHOOL HEALTH PROGRAMMING BY PROVIDING TRAINING AND TECHNICAL SUPPORT.</p> <p>CATCH (COORDINATED APPROACH TO CHILD HEALTH) -- CATCH IS A PROGRAM DESIGNED TO PROMOTE PHYSICAL ACTIVITY, HEALTHY FOOD CHOICES, AND PREVENT TOBACCO USE IN ELEMENTARY SCHOOL AGED CHILDREN. CATCH EMPLOYS A COORDINATED APPROACH TO CHILD HEALTH PROMOTION BY TARGETING MULTIPLE ASPECTS OF THE SCHOOL ENVIRONMENT AND INVOLVING CLASSROOM TEACHERS, SCHOOL FOOD SERVICE STAFF, PHYSICAL EDUCATION (PE) TEACHERS, STUDENTS' FAMILIES, AND THE BROADER SCHOOL COMMUNITY IN A RANGE OF HEALTH PROMOTING ACTIVITIES FOR ALL CHILDREN IN GRADES PREK-8, SIMILAR TO THE CDC'S COORDINATED SCHOOL HEALTH PROGRAM MODEL. THE FOUR CORE COMPONENTS OF CATCH INCLUDE: (1) THE EAT SMART SCHOOL NUTRITION PROGRAM, (2) A CLASSROOM PHYSICAL ACTIVITY AND HEALTHY EATING CURRICULA, (3) THE CATCH PHYSICAL EDUCATION PROGRAM, AND (4) A FAMILY EDUCATION AND INVOLVEMENT PROGRAM. THE COORDINATION OF HEALTH MESSAGES AND ACTIVITIES BETWEEN THESE FOUR COMPONENT AREAS IS CRITICAL TO POSITIVELY IMPACTING CHILDREN'S KNOWLEDGE, SKILLS, AND BEHAVIOR. SIH AND PROGRAM PARTNERS ARE IMPLEMENTING COMPONENTS OF THE CATCH PROGRAM IN 80 ELEMENTARY SCHOOL DISTRICTS IN THE 15 COUNTIES IN THE SOUTHERN ILLINOIS REGION. THIS PROGRAM IMPACTS OVER 20,000 STUDENTS AND THEIR FAMILIES.</p> <p>ANOTHER INITIATIVE IS PROMOTING LIFELONG FITNESS BY SUPPORTING QUALITY PHYSICAL EDUCATION IN SOUTHERN ILLINOIS SCHOOLS AND ASSISTING CHILDREN TO MEET THE SURGEON GENERAL'S RECOMMENDATION FOR 60 MINUTES OF DAILY PHYSICAL ACTIVITY. THIS NEED IS BASED UPON CURRENT LOCATOC RESEARCH AND NATIONAL PHYSICIAN EDUCATION STANDARDS. PROGRAM COMPONENTS ASSIST SCHOOLS IN DEVELOPING A QUALITY PHYSICAL EDUCATION PROGRAM THAT HELPS STUDENTS SET AND WORK TOWARD GOALS, PRACTICE SELF ASSESSMENT AND LEARN THE BENEFITS OF LIFELONG PHYSICAL ACTIVITY.</p>

Return Reference - Identifier	Explanation
FORM 990, PART VI, LINE 1A - DELEGATE BROAD AUTHORITY TO A COMMITTEE	<p>GOVERNANCE COMMITTEE</p> <p>THE BOARD HAS A GOVERNANCE COMMITTEE CONSISTING OF 5 TRUSTEES. THE PURPOSE OF THE GOVERNANCE COMMITTEE IS TO ASSURE THE BOARD OF TRUSTEES THAT THE RESPECTIVE PROGRAMS ARE FUNCTIONAL TO FULFILL THE RESPONSIBILITIES OF THE BOARD OF TRUSTEES:</p> <ul style="list-style-type: none"> • DEVELOP AND MAINTAIN EFFECTIVE COMPENSATION AND BENEFIT POLICIES AND PRACTICES; REVIEW AND RECOMMEND IN ADVANCE ALL EXECUTIVE COMPENSATION ARRANGEMENTS; PROVIDE FOR THE EVALUATION OF THE PERFORMANCE OF THE CEO AND OTHER SYSTEM OFFICERS; REVIEW AND RECOMMEND ANNUAL PERFORMANCE OBJECTIVES FOR SYSTEM OFFICERS; PROVIDE FOR CONDUCT OF A PERIODIC SELF-EVALUATION OF THE BOARD OF TRUSTEES. • ASSURE THAT THE PROGRAMS WHICH ADDRESS NEW BOARD MEMBER ORIENTATION, CONTINUING EDUCATION, MENTORING, AND FACILITATE UNDERSTANDING OF CURRENT TRENDS IN HEALTHCARE AND MEDICAL TERMINOLOGY, ARE FUNCTIONAL. • IDENTIFY COMPETENT, HIGHLY QUALIFIED INDIVIDUALS TO SERVE AS MEMBERS OF THE BOARD OF TRUSTEES; RECOMMEND INDIVIDUALS TO SERVE IN LEADERSHIP POSITIONS ON THE BOARD; AND FACILITATE AND INTERVIEW POTENTIAL BOARD MEMBERS. • ACT FOR THE BOARD OF TRUSTEES IN ALL MATTERS AS SPECIFICALLY AUTHORIZED BY RESOLUTION OF THE BOARD OR WHEN THE BOARD OF TRUSTEES IS NOT IN SESSION.
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	<p>THE ORGANIZATION'S SOLE MEMBER IS SOUTHERN ILLINOIS HOSPITAL ENTERPRISES, INC., A RELATED TAX-EXEMPT ORGANIZATION. THE MEMBER HAS THE RIGHT TO ELECT MEMBERS TO THE BOARD OF TRUSTEES AND APPROVE SOME DECISIONS OF THE BOARD.</p>
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	<p>THE ORGANIZATION'S SOLE MEMBER, SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, HAS THE EXCLUSIVE RIGHT TO ELECT TRUSTEES TO THE ORGANIZATION'S BOARD OF TRUSTEES.</p>
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	<p>THE ORGANIZATION'S SOLE MEMBER, SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES (CORPORATE MEMBER), HAS RESERVED POWERS FOUND IN THE ORGANIZATION'S BYLAWS. EXCEPT FOR TRANSFERS IDENTIFIED IN THE BUDGET OF THE ORGANIZATION APPROVED BY THE CORPORATE MEMBER, THE ORGANIZATION MAY NOT TRANSFER ASSETS TO ENTITIES OTHER THAN THE CORPORATE MEMBER OR ENTITIES THAT THE CORPORATE MEMBER CONTROLS (THE "CORPORATE MEMBER AFFILIATES"), WITHOUT THE APPROVAL OF THE CORPORATE MEMBER.</p> <p>THE CORPORATE MEMBER HAS THE RIGHT TO REQUIRE THE ORGANIZATION TO TRANSFER ASSETS TO THE EXTENT NECESSARY TO ACCOMPLISH THE CORPORATE MEMBER'S GOALS AND OBJECTIVES. THE CORPORATE MEMBER ALSO HAS THE RIGHT TO REQUIRE THE ORGANIZATION TO PROVIDE FOR THE PAYMENT OF ALL INDEBTEDNESS OF THE CORPORATE MEMBER OR A CORPORATE MEMBER AFFILIATE. THE ORGANIZATION CANNOT BE REQUIRED TO VIOLATE ITS CHARITABLE PURPOSES, THE TERMS OF ANY RESTRICTED GIFTS, OR THE COVENANTS OF ITS DEBT INSTRUMENTS IN COMPLYING WITH ANY ASSET TRANSFERS DIRECTED BY THE CORPORATE MEMBER. IN ADDITION, THE FOLLOWING MATTERS MUST BE SUBMITTED TO AND RECEIVE THE APPROVAL OF THE CORPORATE MEMBER:</p> <ol style="list-style-type: none"> 1. CAPITAL EXPENDITURES IN EXCESS OF \$500,000; 2. THE BUYING, SELLING, LEASING, MORTGAGING OR DISPOSING OF REAL PROPERTY BELONGING TO THE CORPORATION OR ANY OF ITS SUBSIDIARIES; 3. THE ESTABLISHMENT OR DISCONTINUANCE OF ANY MAJOR SERVICES; INCLUDING SERVICES REQUIRING CERTIFICATES OF NEED; 4. LONG-RANGE STRATEGIC PLANS; 5. MASTER FACILITIES AND SITE PLANS; 6. THE CREATION OR DISSOLUTION OF ANY CORPORATION, THE SOLE MEMBER OR MAJORITY STOCKHOLDER OF WHICH IS THE CORPORATION; 7. JOINT VENTURE OR AFFILIATION AGREEMENTS; 8. THE INCURRENCE OF INDEBTEDNESS IN EXCESS OF \$500,000; 9. SUCH OTHER MATTERS AS MAY BE REQUIRED BY LAW OR BY THE ORGANIZATION'S ARTICLES OF INCORPORATION, OR BY ITS BYLAWS TO BE SUBMITTED TO THE CORPORATE MEMBER; 10. DELEGATION OF THE FUNCTIONS, POWERS, DUTIES AND RESPONSIBILITIES OF ANY OFFICER OF THE CORPORATION, AND; 11. ANY OTHER MATTER WHICH MAY BE SPECIFIED FROM TIME TO TIME BY THE CORPORATE MEMBER. <p>IN ADDITION, THE CORPORATE MEMBER RETAINS THE RIGHT TO APPROVE ALL CHANGES TO THE ORGANIZATION'S BYLAWS.</p>
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	<p>A DRAFT OF THE FORM 990 AND SUPPLEMENTAL SCHEDULES WAS DISTRIBUTED TO THE CEO, CFO AND CERTAIN VICE-PRESIDENTS OF THE CORPORATION FOR THEIR REVIEW AND COMMENTS. A DRAFT COPY WAS PRESENTED TO THE FINANCE COMMITTEE BY THE CFO AND THE ORGANIZATION'S TAX ADVISORS FOR REVIEW AND COMMENTS. AFTER THE REVIEW AND COMMENT PERIOD, ALL SUGGESTIONS AND COMMENTS WERE CONSIDERED AND THE FORM 990 WAS UPDATED AS APPROPRIATE. THE FINALIZED FORM 990 AND SUPPLEMENTAL SCHEDULES WAS THEN PRESENTED TO THE BOARD OF TRUSTEES AND A COPY OF THE RETURN WAS MADE AVAILABLE TO EVERY MEMBER OF THE GOVERNING BODY BEFORE IT WAS FILED WITH THE IRS.</p>

Return Reference - Identifier	Explanation																																																							
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	<p>ANNUALLY, THE GENERAL COUNSEL SENDS OUT A CONFLICT OF INTEREST QUESTIONNAIRE TO EACH TRUSTEE, DIRECTOR, OFFICER, MANAGER AND KEY EMPLOYEE TO COMPLETE AND RETURN. THE GENERAL COUNSEL THEN REVIEWS THESE QUESTIONNAIRES TO DETERMINE WHAT CONFLICTS, REAL OR PERCEIVED, EXIST.</p> <p>DURING EVERY BOARD MEETING, THE GENERAL COUNSEL REMINDS THE TRUSTEES THAT THE BOARD HAS A CONFLICT OF INTEREST POLICY, THAT THE GENERAL COUNSEL HAS REVIEWED THE AGENDA FOR ANY CONFLICTS, BUT THAT THE TRUSTEES ARE OBLIGATED TO GIVE NOTICE IF A CONFLICT HAS BEEN OVER-LOOKED OR IF A DISCUSSION OR ACTION COMES BEFORE THE BOARD WHICH MAY INVOLVE OR CREATE A CONFLICT OF INTEREST FOR SOMEONE.</p> <p>IF A TRUSTEE HAS A CONFLICT OF INTEREST, THE TRUSTEE OR THE GENERAL COUNSEL DISCLOSES THE CONFLICT. THE TRUSTEE WITH THE CONFLICT IS ALLOWED TO REMAIN IN THE MEETING TO ANSWER ANY QUESTION THE TRUSTEE MAY NEED TO ANSWER AND THEN THE CONFLICTED TRUSTEE IS EXCUSED FROM THE MEETING. THE REMAINING TRUSTEES THEN DISCUSS THE MATTER FURTHER AND ACTION IS TAKEN ON THE MATTER. FINALLY, THE CONFLICTED TRUSTEE IS THEN INVITED BACK INTO THE MEETING.</p> <p>INTERESTED PERSONS MAY ALSO BE ASKED, IN RARE SITUATIONS, TO RESIGN THEIR POSITION ON THE BOARD.</p>																																																							
FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	<p>THE BOARD OF TRUSTEES SETS THE EXECUTIVE COMPENSATION POLICY AND IS RESPONSIBLE FOR APPROVAL OF THE COMPENSATION. THE GOVERNANCE COMMITTEE IS DESIGNATED BY THE BOARD TO ACT AS THE COMPENSATION COMMITTEE FOR MATTERS CONCERNING EXECUTIVE COMPENSATION.</p> <p>EACH MEMBER OF THE COMMITTEE, WHILE CONSIDERING EXECUTIVE COMPENSATION ISSUES, MUST BE AN INDEPENDENT DIRECTOR, FREE FROM ANY CONFLICT OF INTEREST.</p> <p>THE COMMITTEE SEEKS OUT AND CONTRACTS THE SERVICES OF AN OUTSIDE, INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT TO ADVISE THE COMMITTEE IN MATTERS OF MARKET VALUES OF COMPARABLE EXECUTIVE POSITIONS.</p> <p>THE COMMITTEE ANNUALLY REVIEWS ALL COMPARABILITY DATA AND PREPARES A RECOMMENDATION AS TO THE COMPENSATION PACKAGE OF THE PRESIDENT/CEO FOR THE FULL BOARD. ONLY THE FULL BOARD HAS THE AUTHORITY TO APPROVE THE COMPENSATION OF THE PRESIDENT/CEO. THE DECISIONS AND DELIBERATIONS ARE DOCUMENTED IN THE GOVERNANCE COMMITTEE MINUTES. THIS PROCESS WAS LAST UNDERTAKEN IN JUNE 2015.</p>																																																							
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER EMPLOYEES	<p>THE BOARD OF TRUSTEES SETS THE EXECUTIVE COMPENSATION POLICY AND IS RESPONSIBLE FOR APPROVAL OF THE COMPENSATION. THE GOVERNANCE COMMITTEE IS DESIGNATED BY THE BOARD TO ACT AS THE COMPENSATION COMMITTEE FOR MATTERS CONCERNING EXECUTIVE COMPENSATION.</p> <p>EACH MEMBER OF THE COMMITTEE, WHILE CONSIDERING EXECUTIVE COMPENSATION ISSUES, MUST BE AN INDEPENDENT DIRECTOR, FREE FROM ANY CONFLICT OF INTEREST.</p> <p>THE COMMITTEE SEEKS OUT AND CONTRACTS THE SERVICES OF AN OUTSIDE, INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT TO ADVISE THE COMMITTEE IN MATTERS OF MARKET VALUES OF COMPARABLE EXECUTIVE POSITIONS.</p> <p>THE COMMITTEE ANNUALLY REVIEWS ALL COMPARABILITY DATA AND PREPARES A RECOMMENDATION AS TO THE COMPENSATION PACKAGE OF ALL OFFICERS FOR THE FULL BOARD. ONLY THE COMMITTEE WILL HAVE THE AUTHORITY TO APPROVE THE COMPENSATION OF THE SENIOR MANAGEMENT TEAM AND WILL REPORT IT'S ACTIONS TO THE BOARD. THE DECISIONS AND DELIBERATIONS ARE DOCUMENTED IN THE GOVERNANCE COMMITTEE MINUTES. THIS PROCESS WAS LAST UNDERTAKEN IN JUNE 2015.</p>																																																							
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	<p>THE ORGANIZATION MAKES ITS CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC ON ITS WEBSITE AND UPON REQUEST. GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE NOT REQUIRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104; THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME.</p>																																																							
FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES	<table border="1"> <thead> <tr> <th data-bbox="479 1451 748 1535">(a) Description</th> <th data-bbox="748 1451 932 1535">(b) Total Expenses</th> <th data-bbox="932 1451 1105 1535">(c) Program Service Expenses</th> <th data-bbox="1105 1451 1284 1535">(d) Management and General Expenses</th> <th data-bbox="1284 1451 1463 1535">(e) Fundraising Expenses</th> </tr> </thead> <tbody> <tr> <td data-bbox="479 1535 748 1566">CONSULTING FEES</td> <td data-bbox="748 1535 932 1566">14,592,200</td> <td data-bbox="932 1535 1105 1566">477,744</td> <td data-bbox="1105 1535 1284 1566">14,114,456</td> <td data-bbox="1284 1535 1463 1566">0</td> </tr> <tr> <td data-bbox="479 1566 748 1612">CREDIT & COLLECTION FEES</td> <td data-bbox="748 1566 932 1612">784,813</td> <td data-bbox="932 1566 1105 1612">25,594</td> <td data-bbox="1105 1566 1284 1612">759,219</td> <td data-bbox="1284 1566 1463 1612">0</td> </tr> <tr> <td data-bbox="479 1612 748 1644">CLINICAL SERVICE FEES</td> <td data-bbox="748 1612 932 1644">6,548,766</td> <td data-bbox="932 1612 1105 1644">6,547,913</td> <td data-bbox="1105 1612 1284 1644">853</td> <td data-bbox="1284 1612 1463 1644">0</td> </tr> <tr> <td data-bbox="479 1644 748 1675">ENGINEERING FEES</td> <td data-bbox="748 1644 932 1675">200,250</td> <td data-bbox="932 1644 1105 1675">188,106</td> <td data-bbox="1105 1644 1284 1675">12,144</td> <td data-bbox="1284 1644 1463 1675">0</td> </tr> <tr> <td data-bbox="479 1675 748 1707">ARCHITECT FEES</td> <td data-bbox="748 1675 932 1707">182,187</td> <td data-bbox="932 1675 1105 1707">175,480</td> <td data-bbox="1105 1675 1284 1707">6,707</td> <td data-bbox="1284 1675 1463 1707">0</td> </tr> <tr> <td data-bbox="479 1707 748 1738">RECRUITMENT FEES</td> <td data-bbox="748 1707 932 1738">453,702</td> <td data-bbox="932 1707 1105 1738">56,907</td> <td data-bbox="1105 1707 1284 1738">396,795</td> <td data-bbox="1284 1707 1463 1738">0</td> </tr> <tr> <td data-bbox="479 1738 748 1785">OTHER PROFESSIONAL FEES</td> <td data-bbox="748 1738 932 1785">3,996,528</td> <td data-bbox="932 1738 1105 1785">3,271,219</td> <td data-bbox="1105 1738 1284 1785">725,309</td> <td data-bbox="1284 1738 1463 1785">0</td> </tr> <tr> <td data-bbox="479 1785 748 1816">AGENCY STAFFING</td> <td data-bbox="748 1785 932 1816">946,754</td> <td data-bbox="932 1785 1105 1816">813,731</td> <td data-bbox="1105 1785 1284 1816">133,023</td> <td data-bbox="1284 1785 1463 1816">0</td> </tr> <tr> <td data-bbox="479 1816 748 1848">PHYSICIAN SERVICES</td> <td data-bbox="748 1816 932 1848">31,557,798</td> <td data-bbox="932 1816 1105 1848">31,427,687</td> <td data-bbox="1105 1816 1284 1848">130,111</td> <td data-bbox="1284 1816 1463 1848">0</td> </tr> <tr> <td data-bbox="479 1848 748 1879">PURCHASED SERVICES</td> <td data-bbox="748 1848 932 1879">18,182,051</td> <td data-bbox="932 1848 1105 1879">12,230,138</td> <td data-bbox="1105 1848 1284 1879">5,951,913</td> <td data-bbox="1284 1848 1463 1879">0</td> </tr> </tbody> </table>	(a) Description	(b) Total Expenses	(c) Program Service Expenses	(d) Management and General Expenses	(e) Fundraising Expenses	CONSULTING FEES	14,592,200	477,744	14,114,456	0	CREDIT & COLLECTION FEES	784,813	25,594	759,219	0	CLINICAL SERVICE FEES	6,548,766	6,547,913	853	0	ENGINEERING FEES	200,250	188,106	12,144	0	ARCHITECT FEES	182,187	175,480	6,707	0	RECRUITMENT FEES	453,702	56,907	396,795	0	OTHER PROFESSIONAL FEES	3,996,528	3,271,219	725,309	0	AGENCY STAFFING	946,754	813,731	133,023	0	PHYSICIAN SERVICES	31,557,798	31,427,687	130,111	0	PURCHASED SERVICES	18,182,051	12,230,138	5,951,913	0
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Return Reference - Identifier	Explanation	
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	(a) Description	
		(b) Amount
	EQUITY TRANSFERS	- 1,822,029
	CHANGE IN FAIR VALUE OF INTERESET RATE SWAP	- 739,317
FORM 990, PART XII, LINE 3A - REQUIREMENTS UNDER SINGLE AUDIT ACT AND OMB CIRCULAR A-133	GAIN/LOSS ON DERIVATIVE	- 950,807
	AS REQUIRED BY THE U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS, IN 2015 SOUTHERN ILLINOIS HEALTHCARE SERVICES AND AFFILIATES RECEIVED AN AUDIT FOR THE 2014 CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT.	

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2015

**Open to Public
Inspection**

Employer identification number
37-0618939

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) QUALITY HEALTH PARTNERS LLC (45-4435852) 1239 E MAIN ST, CARBONDALE, IL 62901	ADMINISTRATIVE SERVICES	IL	480,010	186,319	SOUTHERN ILLINOIS HOSPITAL SERVICES
(2) _____					
(3) _____					
(4) _____					
(5) _____					
(6) _____					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, INC. (37-1136788) PO BOX 3988, CARBONDALE, IL 62902	LEASING OF MEDICAL SPACE	IL	501(C)(3)	11 TYPE II	N/A		✓
(2) SOUTHERN ILLINOIS MEDICAL SERVICES, NFP (20-5521741) 1239 EAST MAIN STREET, CARBONDALE, IL 62901	MEDICAL SERVICES	IL	501(C)(3)	3	SOUTHERN ILLINOIS HOSPITAL SERVICES		✓
(3) SJH FOUNDATION, NFP (27-1933790) 1239 EAST MAIN STREET, CARBONDALE, IL 62901	FUNDRAISING	IL	501(C)(3)	11 TYPE I	SOUTHERN ILLINOIS HOSPITAL SERVICES		✓
(4) _____							
(5) _____							
(6) _____							
(7) _____							

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

Cat. No. 50135Y

Schedule R (Form 990) 2015

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	
(1) (SEE STATEMENT)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) (SEE STATEMENT)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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

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

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

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

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

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

(1)	(e) Name of related organization	(b) Transaction type (a-e)	(c) Amount involved	(d) Method of determining amount involved
	SOUTHERN ILLINOIS MEDICAL SERVICES			
(1)	SOUTHERN ILLINOIS MEDICAL SERVICES	J	724,255	FMV
(2)	SOUTHERN ILLINOIS MEDICAL SERVICES	A	544,356	FMV
(3)	SOUTHERN ILLINOIS MEDICAL SERVICES	R	1,822,029	FMV
(4)	SIF FOUNDATION	C	909,802	FMV
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

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

(a) Name, address and EIN of related organization	(b) Primary Activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512-514	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocation?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(7) RIC AND SIHS REHABILITATION SERVICES, LLC (36-4566925) PO BOX 3988, CARBONDALE, IL 62902	MEDICAL SERVICES	IL	SIHS	RELATED	7,012,612	999		✓	0		✓	99.900
(8) PHYSICIANS' SURGERY CENTER LLC (26-0425547) 2601 WEST MAIN STREET, CARBONDALE, IL 62901	MEDICAL SERVICES	IL	SIHS	RELATED	161,029	1,421,548		✓	0		✓	59.459

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

(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) SIH CAYMAN SPC GROUP, LTD. (98-0611605) PO BOX 1051, CAYMAN ISLANDS, CAYMAN ISLANDS, KY1-1102, CJ	FINANCING	Cayman Islands	SIHS	C CORPORATION	5,070,453	39,109,223	100.00	✓	
(2) HEALTH SERVICES OF SOUTHERN ILLINOIS, INC. (37-1115061) PO BOX 3988, CARBONDALE, IL 62902	FITNESS CENTER	IL	N/A	C CORPORATION	N/A	N/A	0.00		✓
(3) HIDK PROPERTIES LAND TRUST (46-6693066) 1239 EAST MAIN STREET, CARBONDALE, IL 62901	RENTAL PROPERTIES	IL	SIHS	TRUST	0	0	100.00	✓	

Southern Illinois Hospital Services

Consolidated Financial Report
with Supplementary Information
March 31, 2016 and 2015

Contents

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RSM US LLP

Independent Auditor's Report

To the Board of Trustees
Southern Illinois Hospital Services
Carbondale, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southern Illinois Hospital Services (SIHS or Corporation) and its wholly-owned and majority-owned subsidiaries and wholly-controlled affiliate, which comprise the consolidated balance sheets as of March 31, 2016 and 2015, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We did not audit the financial statements of SIH Cayman SPC Group, Ltd., a wholly-owned subsidiary, which statements reflect total assets constituting 5 percent and 4 percent of consolidated total assets at March 31, 2016 and 2015, respectively, and total revenues constituting 1 percent of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SIH Cayman SPC Group, Ltd., is based solely on the report of the other auditors. We conducted our audits 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Illinois Hospital Services and its wholly-owned and majority-owned subsidiaries and wholly-controlled affiliate as of March 31, 2016 and 2015, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the 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 financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Springfield, Illinois
July 25, 2016

Southern Illinois Hospital Services

Consolidated Balance Sheets

March 31, 2016 and 2015

(In Thousands)

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,849	\$ 11,538
Assets whose use is limited by trust agreement	90	64
Accounts receivable:		
Patients, net	112,052	105,181
Affiliates	173	55
Supplies	12,093	11,297
Prepaid expenses	7,327	6,378
Current portion of notes receivable	63	745
Other	1,656	1,863
Total current assets	148,303	137,121
Assets whose use is limited by:		
Board designation for capital improvements	358,228	365,957
Board designation for self-insurance	30,651	29,073
	388,879	395,030
Property and equipment, net	268,004	232,283
Other assets:		
Unamortized bond issuance costs, net of accumulated amortization of \$1,261 in 2016 and \$1,072 in 2015	3,197	3,387
Investment in joint venture	1,423	1,813
Notes receivable, less current portion	246	252
Goodwill, net	14,757	14,878
Intangible assets, net	1,510	2,175
Other	17,662	15,925
	38,795	38,430
Total assets	\$ 843,981	\$ 802,864

See notes to consolidated financial statements.

	2016	2015
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 4,039	\$ 4,185
Accounts payable:		
Construction contracts	2,161	984
Trade	32,816	28,271
Affiliates	45	12
Estimated third-party payor settlements	13,070	12,039
Accrued liabilities:		
Payroll and related expenses	31,301	30,211
Other	9,783	8,824
Total current liabilities	93,215	84,526
Long-term debt, less current maturities	174,944	158,120
Interest rate swap contracts	18,365	16,675
Medical professional liabilities	49,742	46,051
Other	927	552
	243,978	221,398
Total liabilities	337,193	305,924
Commitments and contingencies (Notes 3, 7, and 9)		
Net assets:		
Controlling interest	504,735	494,577
Non-controlling interest	711	1,070
Total unrestricted	505,446	495,647
Temporarily restricted net assets	1,342	1,293
Total net assets	506,788	496,940
Total liabilities and net assets	\$ 843,981	\$ 802,864

Southern Illinois Hospital Services

Consolidated Statements of Operations

Years Ended March 31, 2016 and 2015

(In Thousands)

	2016	2015
Revenues:		
Patient service revenue, net	\$ 583,567	\$ 540,157
Provision for bad debts	(27,045)	(25,957)
Net patient service revenue, less provision for bad debts	<u>556,522</u>	<u>514,200</u>
Other operating revenue	5,111	6,932
Meaningful use incentive revenue	448	4,239
Net assets released from restriction	892	1,946
Total revenues	<u>562,973</u>	<u>527,317</u>
Expenses:		
Salaries	203,977	193,307
Employee benefits	56,146	57,545
Physicians' fees	28,929	23,623
Professional fees	47,435	36,338
Purchased services	14,420	16,415
Patient chargeable supplies	46,904	41,804
Patient nonchargeable supplies	17,740	17,765
Drugs and pharmaceuticals	29,775	24,154
Other supplies	10,172	10,415
Rent	3,334	3,420
Repairs and maintenance	17,666	15,866
Insurance	11,886	12,133
Miscellaneous	19,050	17,114
Interest and amortization	7,559	9,038
Depreciation	31,967	29,883
Total expenses	<u>546,960</u>	<u>508,818</u>
Income from operations	<u>16,013</u>	<u>18,499</u>
Nonoperating gains (losses):		
Unrestricted gifts and interest income	1,561	2,957
Investment income and net realized gains (losses) from board designated funds	(3,022)	30,033
Change in net unrealized gains and losses on investments	(4,855)	(11,574)
Equity in earnings of joint venture	1,085	1,303
Unrealized gain (loss) in fair value of interest rate swaps, not designated as hedging instruments	105	(6,821)
Other	224	(1,028)
	<u>(4,902)</u>	<u>14,870</u>
Excess of revenues over expenses	11,111	33,369
Contributions for equipment	842	1,619
Unrealized loss in fair value of interest rate swap, designated as hedging instrument	(1,795)	-
Increase in unrestricted net assets	<u>\$ 10,158</u>	<u>\$ 34,988</u>

See notes to consolidated financial statements.

Southern Illinois Hospital Services

Consolidated Statements of Changes in Net Assets
Years Ended March 31, 2016 and 2015
(In Thousands)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets Parent Co.	Non-controlling Interest	Total Net Assets
Balance, April 1, 2014	\$ 459,589	\$ 2,015	\$ 461,604	\$ 895	\$ 462,499
Changes in net assets:					
Distributions, net	-	-	-	(160)	(160)
Contributions for equipment	1,619	-	1,619	-	1,619
Contributions	-	1,224	1,224	-	1,224
Releases from restriction	-	(1,946)	(1,946)	-	(1,946)
Excess of revenues over expenses	33,369	-	33,369	335	33,704
Total change in net assets	34,988	(722)	34,266	175	34,441
Balance, March 31, 2015	494,577	1,293	495,870	1,070	496,940
Changes in net assets:					
Distributions, net	-	-	-	(294)	(294)
Contributions for equipment	842	-	842	-	842
Contributions	-	941	941	-	941
Unrealized loss in fair value of interest rate swap, designated as hedging instrument	(1,795)	-	(1,795)	-	(1,795)
Releases from restriction	-	(892)	(892)	-	(892)
Excess (deficiency) of revenues over expenses	11,111	-	11,111	(65)	11,046
Total change in net assets	10,158	49	10,207	(359)	9,848
Balance, March 31, 2016	\$ 504,735	\$ 1,342	\$ 506,077	\$ 711	\$ 506,788

See notes to consolidated financial statements.

Southern Illinois Hospital Services

Consolidated Statements of Cash Flows
Years Ended March 31, 2016 and 2015
(In Thousands)

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 9,848	\$ 34,441
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,967	29,883
Amortization of bond costs	190	769
Loss on write-off of old bond issuance costs	-	163
Provision for bad debts	27,045	25,957
Loss (gain) on disposal of property and equipment	(160)	622
Contributions for equipment	(842)	(1,619)
Amortization of goodwill and other intangible assets	840	816
Net realized losses (gains) on sale of investments	12,543	(22,371)
Net unrealized losses on investments	4,855	11,574
Undistributed net earnings of joint venture	(1,085)	(1,497)
Net loss (gain) on interest rate swap contracts	1,690	6,821
Changes in working capital components:		
Increase in:		
Patient accounts receivable	(33,916)	(35,478)
Supplies, prepaids and other assets	(3,393)	(9,556)
Increase (decrease) in:		
Trade payables	5,722	(2,099)
Third-party reimbursement programs	1,031	775
Payroll and related expenses	1,090	7,246
Medical professional liabilities	3,691	10,383
Other liabilities	2,544	2,827
Net cash provided by operating activities	63,660	59,657
Cash flows from investing activities:		
Purchase of trading securities, net	(11,273)	(35,973)
Payments received on notes receivable, net of (advances)	688	(65)
Proceeds from sale of property and equipment	919	23
Cash paid for acquisitions	(54)	(915)
Distributions from joint venture	1,475	1,573
Purchases and construction of property and equipment	(69,624)	(58,974)
Net cash used in investing activities	(77,869)	(94,331)

(continued)

Southern Illinois Hospital Services

Consolidated Statements of Cash Flows (Continued)
Years Ended March 31, 2016 and 2015
(In Thousands)

	2016	2015
Cash flows from financing activities:		
Principal payments on long-term debt	\$ (80)	\$ (139)
Payments on line of credit	(24,979)	(30,412)
Proceeds from line of credit	24,979	30,412
Principal payments on bonds	(4,305)	(3,135)
Advance refunding of bonds	-	(51,235)
Proceeds from issuance of bonds	21,063	88,296
Payment of bond costs	-	(400)
Contributions for equipment	842	1,619
Net cash provided by financing activities	17,520	35,006
Increase in cash and cash equivalents	3,311	332
Cash and cash equivalents:		
Beginning	11,538	11,206
Ending	<u>\$ 14,849</u>	<u>\$ 11,538</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized (\$434 in 2016; \$130 in 2015)	<u>\$ 6,439</u>	<u>\$ 6,802</u>
Supplemental disclosures of noncash investing and financing activities:		
Construction-in-progress included in accounts payable	<u>\$ (1,177)</u>	<u>\$ 90</u>

See notes to consolidated financial statements.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of organization: Southern Illinois Hospital Services (SIHS or Corporation) owns and/or operates the following entities:

- Memorial Hospital of Carbondale, Carbondale, Illinois (Memorial)
- Herrin Hospital, Herrin, Illinois (Herrin)
- St. Joseph Memorial Hospital, Murphysboro, Illinois (St. Joseph)
- SIH Cayman SPC Group, Ltd.
- Southern Illinois Medical Services, NFP
- Physicians' Surgery Center, LLC
- SIH Foundation, NFP
- Quality Health Partners LLC

The hospitals provide acute inpatient, outpatient and emergency care services. Certain facilities also provide maternity care, rehabilitation care, skilled nursing inpatient care, and intermediate inpatient care. Admitting physicians are primarily practitioners in the local area.

SIHS is the sole stockholder of SIH Cayman SPC Group, Ltd. (Captive), an off-shore captive insurance corporation established to underwrite the general and professional liability risks of the hospitals. The Captive was established effective April 1, 2006.

SIHS serves as the sole member and elects all of the trustees of, and thereby controls, Southern Illinois Medical Services, NFP (SIMS), an Illinois not-for-profit corporation, established to employ physicians and to operate physician practices in Southern Illinois. SIMS was established in November 2006.

As of March 31, 2008, SIHS was the sole member of Physicians' Surgery Center, LLC (PSC), an Illinois limited liability company which was established in May 2007 to operate and manage the ambulatory surgical treatment center that was acquired as part of purchase of the Carbondale Clinic. In April 2008, certain employed and non-employed physicians contributed capital of \$900,000 to PSC in exchange for a 45 percent equity interest, resulting in SIHS becoming a 55 percent member of PSC.

Southern Illinois Hospital Services is under the control of Southern Illinois Healthcare Enterprises, Inc. (SIHE). SIHE is a not-for-profit corporation established as a parent corporation. The Corporation is included in the consolidated financial statements of SIHE.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

The following table depicts the changes in consolidated unrestricted net assets attributable to the noncontrolling interest in PSC:

	<u>PSC</u>
Balance, April 1, 2014	\$ 895
Excess of revenues over expenses	335
Distributions	<u>(160)</u>
Change in net assets	<u>175</u>
Balance, March 31, 2015	1,070
Deficiency of revenues over expenses	(65)
Distributions	<u>(294)</u>
Change in net assets	<u>(359)</u>
Balance, March 31, 2016	<u>\$ 711</u>

A summary of SIHS's significant accounting policies is as follows:

Principles of consolidation: The consolidated financial statements include the accounts of SIHS and its wholly-owned hospitals Memorial, Herrin and St. Joseph, its wholly-owned Subsidiary (Captive), its wholly-controlled Affiliates (SIMS, SIH Foundation, and Quality Health Partners LLC), and its majority-owned Subsidiary (PSC). All material intercompany accounts and transactions are eliminated in consolidation.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable and settlements with third-party payors and accrual for professional and general liability claims. These estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: All highly liquid investments, excluding assets whose use is limited, purchased with a maturity of three months or less are considered to be cash equivalents. Cash equivalents consist of certificates of deposit and money market mutual funds. At times, the Corporation has deposits with financial institutions in excess of federally insured limits.

The Corporation routinely invests its operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations.

Patient accounts receivable: Patient accounts receivable, where a third-party payor is responsible for paying the amount, are carried at a net amount consisting of the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Patient accounts receivable due directly from patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. A patient receivable is considered past due when the amount billed remains unpaid for more than 30 days subject to a third-party payor's agreed upon terms, if applicable. The hospitals do not charge interest on patient receivable accounts which are past due. Patient receivables are written off as bad debt when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of the provision for bad debts when received.

Charity care: The Corporation provides charity care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Supplies: Inventories of supplies are stated at the lower of cost, determined on a first-in, first-out basis, or market.

Investments: All investments are designated as trading securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Fair value is determined primarily on the basis of quoted market prices. Investment gains or losses (including realized and unrealized gains and losses on investments, interest and dividends) are included in the excess of revenues over expenses unless the gain or loss is restricted by donor or law.

Investment income on proceeds of borrowings that are held by a trustee are included in other operating revenue. Unrestricted contributions and income from all other investments are recorded as nonoperating gains.

Realized gains from the sale of investments are recognized using the first-in, first-out cost basis for sales of marketable equity securities. Gains and losses from sales of debt securities are recognized using a specific identification cost basis.

Assets whose use is limited: Assets whose use is limited include assets held by trustees under bond indenture agreements, assets designated by the Board of Trustees (Board) for payment of future self-insured medical professional liability claims and assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities have been classified as current assets at March 31, 2016 and 2015.

Investment in joint venture: As of March 31, 2016 and 2015, the Corporation has a 34 percent interest in Southern Illinois Orthopedic Center, LLC (SIOC). SIOC was established in fiscal 1999 to build and operate an ambulatory surgical treatment center. The investment is accounted for by the equity method of accounting under which the Corporation's share of the net income (loss) of the affiliate is recognized as nonoperating gains (losses) in the Corporation's consolidated statements of operations and added to (deducted from) the investment account, and dividends received from the affiliate are treated as a reduction of the investment account.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Property and equipment: The Corporation capitalizes expenditures that exceed \$3.0 and that are expected to have a useful life in excess of two years. Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets following guidelines of the American Hospital Association. The Corporation evaluates the carrying value of long-lived assets whenever significant events or changes in circumstances indicate the carrying value of these assets may be impaired. The property and equipment acquired through business acquisitions has been recorded at the fair value at the time of the acquisition.

Bond issuance costs: Costs relating to bond issuance are capitalized and amortized by the straight-line method, which approximates the effective interest method, over the term of the bond issues.

Goodwill and intangible assets: Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, *Business Combinations*, requires all business combinations to be accounted for using the purchase method of accounting. In addition, ASC 805 requires that identifiable intangible assets be recognized apart from goodwill based on meeting certain criteria. ASC 350, *Intangibles—Goodwill and Other*, addresses how intangible assets and goodwill should be accounted for upon and after acquisition. Specifically, goodwill and intangible assets with indefinite useful lives are not amortized but are subject to annual impairment tests based on their estimated fair value. There was no impairment in fiscal year 2016 and 2015.

Business combinations: There were certain insignificant acquisitions in fiscal years 2016 and 2015 with total considerations of \$1,214 and \$1,581, respectively.

Net patient service revenue: The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Medicare and Medicaid Electronic Health Records (EHR) Incentive Programs: The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid Incentive Programs beginning in Federal fiscal year 2011 for eligible acute care hospitals that are meaningful users of certified EHR technology, as defined by the *Federal Register*. The Corporation has implemented certified EHR technology that has enabled it to demonstrate its meaningful use and to qualify for the Medicare EHR incentive program. The initial incentive payment received for the Medicare EHR incentive program is an estimate based upon data from prior year's cost report. The final settlement will be determined after the submission of the current annual cost report and subsequent audit by the fiscal intermediary. The Corporation's compliance with the meaningful use criteria is also subject to audit by the Federal government. The EHR Incentive Programs are expected to continue through September 30, 2017, and the incentive payments will be calculated annually. The Corporation accounts for EHR incentive funds using the grant accounting method, under which 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 the grant will be received.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

The Corporation has recorded \$448 and \$4,239 of Medicare and Medicaid EHR incentive revenue for the years ended March 31, 2016 and 2015, respectively, in the accompanying consolidated statements of operations. The Corporation has not recorded the portion of 2016 payments related to October 2015 through March 2016 as the Corporation does not yet have reasonable assurance of compliance as required under the grant accounting method.

Income from operations: The consolidated statements of operations include income from operations. Changes in unrestricted net assets, which are excluded from income from operations include unrestricted contributions, investment income, and other income which management views as outside of the Corporation's core activity.

Excess of revenues over expenses: The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses include the following transactions when applicable: permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets). The change in the fair value of interest rate swap contracts is excluded from excess of revenues over expenses if the swap qualifies as a highly effective hedge transaction.

Net asset classifications: Net assets are segregated into two categories that are classified as unrestricted and temporarily restricted. Contributions received without specific restriction from a donor or that arise as a result of operations are classified as unrestricted net assets. Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets to a particular time or purpose. When a donor restriction expires, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated statements of operations. The Corporation and its subsidiaries do not have any permanently restricted net assets.

Temporarily restricted net assets are primarily for the purchase of property and equipment.

Income taxes: The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation realized certain income which the Internal Revenue Service considers to be unrelated business income subject to income tax. For the years ended March 31, 2016 and 2015, no tax was due related to these operations.

When tax 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 be ultimately sustained. Examples of tax positions common to health systems include matters such as the tax exempt entity taking a tax position that an organization is tax exempt without observing corresponding proof of tax exemption from federal and state taxing authorities and there is material net income generated by the entity or egregious compensation paid to insiders that could result in revocation of exempt status (outside the scope of intermediate sanctions excise tax penalties). The tax position is to consider that these compensatory arrangements do not jeopardize tax exemption. The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the "more-likely-than-not" recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. There were no uncertain tax benefits identified and recorded at March 31, 2016 and 2015. The Corporation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Corporation would recognize interest and/or penalties related to income tax matters in miscellaneous expenses. There was no interest and/or penalties related to income tax matters identified and recorded at March 31, 2016 and 2015.

Tax returns filed by the Corporation are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Tax returns filed by the Corporation are no longer subject to examination for the years ended March 31, 2012 and prior.

Derivative financial instruments: The Corporation's derivative financial instruments, which consist of interest rate swap contracts, are recognized on the consolidated balance sheets at their fair value. Changes in the fair value of interest rate swaps are recognized as a change in unrestricted net assets below excess of revenues over expenses in the period of change as long as the swap is determined to be a highly effective cash flow hedge. Any ineffective portion of the swap is recorded as an adjustment to interest expense in the consolidated statements of operations. Changes in fair value of swaps for which hedge accounting is not used are recorded in nonoperating gains (losses) in the Corporation's consolidated statements of operations.

Insurance: The Corporation has elected to self-insure a portion of its employee health claims. Amounts are charged against income based upon estimated losses as determined by management for each period. The Corporation is funding this estimated liability on a current basis.

SIHS formed the Captive, an off-shore captive insurance company, to underwrite its professional and general liability losses. The Captive has purchased a reinsurance policy with an unrelated third party to provide excess coverage for large claims. Assets are funded and losses are accrued as expense based upon estimated losses that are determined by actuarial analysis.

SIMS is not covered under the Captive and has purchased physicians and surgeons professional liability insurance coverage from Medical Alliance Insurance Company. See Note 9 for additional disclosure.

Recent accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update (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. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 for one year, making it effective for the Corporation's March 31, 2019 consolidated financial statements. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. The Corporation has not yet selected a transition method and is currently evaluating impact that the updated standard will have on the consolidated financial statements.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

In April 2015, the FASB issued ASU 2015-03, *Interest—Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in the financial statements. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected by the new guidance. The guidance should be adopted on a retrospective basis, wherein the balance sheet of each individual period presented is adjusted to reflect the period-specific effects of applying the new guidance. The updated standard will be effective for the Corporation's March 31, 2017 consolidated financial statements. The Corporation understands that debt issuance costs will now be classified as a liability rather than an asset. This change will have no impact on the Corporation's consolidated statements of operations.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (Or Its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy investments for which fair values are measured at NAV using the practical expedient. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice in how investments measured at NAV (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. The updated standard will be effective for the Corporation's March 31, 2017 consolidated financial statements. This change will have no impact on the Corporation's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance changes how entities account for equity investments that do not result in consolidation and are not accounted for under the equity method of accounting. Entities will be required to measure these investments at fair value at the end of each reporting period and recognize changes in fair value in net income. A practicability exception will be available for equity investments that do not have readily determinable fair values, however; the exception requires the Corporation to adjust the carrying amount for impairment and observable price changes in orderly transactions for the identical or a similar investment of the same issuer. This guidance also changes certain disclosure requirements and other aspects of current U.S. GAAP. ASU 2016-01 will be effective for the Corporation's March 31, 2020 consolidated financial statements. The Corporation is currently evaluating the impact of the adoption of ASU 2016-01 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU is expected to impact the Corporation's consolidated financial statements as the Corporation has certain operating lease arrangements for which it is the lessee. The standard is effective for the Corporation's March 31, 2020 consolidated financial statements, with early adoption permitted. The Corporation is in the process of evaluating the impact of this new guidance on its consolidated financial statements.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications did not affect total net assets or changes in net assets.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 2. Hedging Activities

The Corporation maintains an interest rate risk-management strategy that uses derivative instruments (interest rate swap contracts) to minimize unanticipated earnings fluctuations caused by interest rate volatility. The Corporation's specific goals are (1) to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain of its debt and (2) to lower (where possible) the cost of its borrowed funds. Interest rate fluctuations create an unrealized appreciation or depreciation in the market value of the Corporation's debt when compared to its cost. The effect of this unrealized appreciation or depreciation in market value, however, will generally be offset by income or loss on derivative instruments that are linked to the debt.

The Corporation entered into an interest rate swap contract with the Royal Bank of Canada (RBC) which was intended to convert a portion of the Series 2005 bonds with Wells Fargo Bank, to a fixed rate of 3.374 percent. The interest rate swap's variable portion was set at 57 percent of 30-day LIBOR plus 0.44 percent which was determined would effectively hedge the auction rate payments on the Series 2005 bonds. During the first quarter of 2008, the auction rate market experienced large fluctuations and the cash flow hedge was determined to no longer be effective and hedge accounting was discontinued. Subsequently, the Series 2005 bonds were converted to a fixed rate, accordingly the swap is no longer tied to the Series 2005 bonds. This interest rate swap had a notional amount of \$43,550, at March 31, 2016, and expires in March 2035. During 2016 and 2015, the net settlement on the swap resulted in additional interest expense of approximately \$1,212 and \$1,244, respectively. The Corporation expects additional interest expense of approximately \$1,200 during the year ending March 31, 2017.

In June 2009, the Corporation entered into an interest rate swap contract with Morgan Stanley to convert a portion of the Series 2008 Variable Rate Demand Revenue Bonds, to a fixed rate of 3.844 percent. At the inception of the swap contract, the interest rate swap's variable portion was set at the SIFMA Municipal Swap Index rate which was determined would effectively hedge the variable rate on the Series 2005 bonds and hedge accounting was adopted for the swap contract. During 2014, the Series 2008 bonds were refinanced with the Series 2014 variable rate bonds and hedge accounting was discontinued. Effective September 2015, the interest rate swap's variable portion was reset at 68 percent of 30-day LIBOR plus 0.3525 percent and management determined the swap would effectively hedge the variable rate on the Series 2014 bonds and accordingly, the swap has been designated as a cash flow hedge for a portion of the Series 2014 bonds. The swap amortizes relative to the bonds, had a notional amount of \$27,200 and \$28,380 as of March 31, 2016 and 2015, respectively, and expires in March 2038. During 2016 and 2015, the net settlements on the swap resulted in additional interest expense of approximately \$987 and \$1,088, respectively. The Corporation expects additional interest expense of approximately \$1,000 during the year ending March 31, 2017.

The interest rate swap contracts had a combined fair value of \$(18,365) and \$(16,675) as of March 31, 2016 and 2015, respectively. The change in the fair value of the contracts not designated as hedging instruments resulted in a net gain (loss) of \$105 and \$(6,821) for the years ended March 31, 2016 and 2015, respectively, and is recorded as a nonoperating loss in the consolidated statements of operations. The change in the fair value of the contract designated as a hedging instrument resulted in a net loss of \$1,795 for the year ended March 31, 2016, and is recorded as a change in net assets in the consolidated statements of operations and changes in net assets.

The Corporation is exposed to credit risk if Morgan Stanley or Royal Bank of Canada fails to perform under the terms on the interest rate swap contracts.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 3. Net Patient Service Revenue

The Corporation has agreements with third-party payors that provide for payments at amounts different from their established rate structures. A summary of the payment arrangements with major third-party payors follows:

Medicare: Memorial and Herrin are paid for inpatient acute care and outpatient care services rendered to Medicare program beneficiaries under prospectively-determined rates per discharge (Prospective Payment Systems). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Memorial's and Herrin's classification of patients under Prospective Payment Systems and the appropriateness of the patient's admissions are subject to validation reviews. Memorial and Herrin are reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by Memorial and Herrin and audits by the Medicare fiscal intermediary.

St. Joseph Memorial Hospital is paid for inpatient and outpatient services under the Critical Access Hospital (CAH) methodology. As a CAH, St. Joseph Memorial Hospital is reimbursed based upon a reasonable cost methodology at a tentative rate with final settlement determined after submission of annual cost reports by St. Joseph Memorial Hospital and audits by the third-party Medicare fiscal intermediary.

The Corporation's Medicare cost reports have been audited by the Medicare fiscal intermediary through March 31, 2010.

The laws and regulations governing the Medicare program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue increased by approximately \$857 in 2016 and decreased by approximately \$61 in 2015 due to changes in allowances deemed necessary as a result of the Medicare cost report audits.

Medicaid: Inpatient acute care services rendered under the Medicaid program are also paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed based on various predetermined rates.

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

Medicaid hospital tax assessment program: The Corporation participates in the State of Illinois hospital tax assessment program which is administered by the Illinois Department of Public Aid. The provider assessment program payments are in effect for the state fiscal years ending each June 30. The laws and regulations authorizing this program have been extended through June 30, 2018. For the years ended March 31, 2016 and 2015, the Corporation has recorded \$17,988 and \$16,433, respectively, in assessment revenue, which is included in net patient service revenue on the consolidated statements of operations. For the years ended March 31, 2016 and 2015, the Corporation has recorded \$9,517 and \$7,751, respectively, in assessment expense (Medicaid tax), which is included in miscellaneous expenses on the consolidated statements of operations.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 3. Net Patient Service Revenue (Continued)

Affordable Care Act Supplemental Payments: In January 2015, the Centers for Medicare & Medicaid Services (CMS) approved the State of Illinois' request for a new supplemental payment to hospitals for services provided to newly eligible beneficiaries under the Affordable Care Act. The new supplemental payments to hospitals were retroactive to March 2014, with payments made to eligible hospitals on an approximately 4-month lag basis. The Corporation recorded revenue of \$4,616 and \$5,058 for the years ended March 31, 2016 and 2015, respectively, related to these payments. The supplemental payments are included in patient service revenue in the accompanying consolidated statements of operations.

Charity care: In the ordinary course of business, the Corporation renders services to patients who are financially unable to pay for medical care. The Corporation provides care without charge or at amounts less than the established rates to these patients who meet certain criteria under its charity care policy. Charity care eligibility is established based on limited or no insurance coverage, income compared to published poverty levels and family size, as well as other factors. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Corporation maintains records to identify and monitor the level of charity care it provides. Charity care is measured based on the Corporation's estimated direct and indirect costs of providing charity care services. That estimate is made by calculating a ratio of cost to gross charges, applied to the uncompensated charges associated with providing charity care to patients. The estimated cost of charity care provided during the years ended March 31, 2016 and 2015, was approximately \$4,000 and \$8,500, respectively.

Provision for bad debts: Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party insurance coverage, the Corporation analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Corporation records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The Corporation regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for doubtful accounts. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 3. Net Patient Service Revenue (Continued)

Patient service revenue, net of contractual allowances and discounts (but before provision for bad debts), from the major payor sources is as follows for the years ended March 31, 2016 and 2015:

	2016	2015
Medicare	\$ 262,605	\$ 243,070
Medicaid	128,385	118,835
Other third-party payors	175,070	162,047
Self-pay	17,507	16,205
Total patient service revenue (net of contractual allowances and discounts)	<u>\$ 583,567</u>	<u>\$ 540,157</u>

Note 4. Patient Accounts Receivable

Patient accounts receivable at March 31, 2016 and 2015 are as follows:

	2016	2015
Patient accounts receivable	\$ 298,773	\$ 369,915
Less allowance for charity care	(11,841)	(14,798)
Less allowance for doubtful accounts	(25,663)	(31,249)
Less unapplied third-party payments and allowances for estimated contractual adjustments	(149,217)	(218,687)
	<u>\$ 112,052</u>	<u>\$ 105,181</u>

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 5. Investments and Assets Whose Use is Limited

The composition of investments and assets whose use is limited as of March 31, 2016 and 2015 are set forth in the following table. Investments are stated at fair value.

	2016	2015
Cash and cash equivalents	\$ 13,162	\$ 27,979
Domestic equity	93,708	121,928
Emerging markets	8,338	84,601
Equity mutual funds	169,497	52,694
Fixed income mutual funds	81	-
Corporate bonds	36,003	46,925
International corporate bonds	2,308	1,816
International finance bonds	4,089	4,558
International government agency bonds	14,251	13,401
Municipal bonds	6,123	4,208
Commercial asset backed securities	2,118	-
Government agency securities	28,156	26,249
Alternative investments	11,135	10,735
	<u>\$ 388,969</u>	<u>\$ 395,094</u>

Assets whose use is limited consists of amounts designated by the Board for capital improvements and for self-insurance. Amounts held in trust are designated for payment of current liabilities and have been classified as current assets. The portion of assets whose use is limited by Board designation for capital improvements or self insurance designated for payment of current liabilities is not readily determinable and, therefore, the entire balance is classified as a noncurrent asset.

Investment income and gains (losses) presented on the consolidated statements of operations for assets whose use is limited and cash equivalents are comprised of the following for the years ended March 31, 2016 and 2015:

	2016	2015
Interest and dividend income	\$ 9,521	\$ 7,662
Net realized (losses) gains on sale of investments	(12,543)	22,371
Change in net unrealized gains and losses on investments	(4,855)	(11,574)
	<u>\$ (7,877)</u>	<u>\$ 18,459</u>

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 5. Investments and Assets Whose Use Is Limited (Continued)

Investment income has been presented on the consolidated statements of operations in the following categories:

	2016	2015
Nonoperating gains (losses):		
Investment income and net realized gains (losses) from board designated funds	\$ (3,022)	\$ 30,033
Change in net unrealized gains and losses on investments	(4,855)	(11,574)
	<u>\$ (7,877)</u>	<u>\$ 18,459</u>

Note 6. Property and Equipment

Property and equipment at March 31, 2016 and 2015 are as follows:

	2016	2015
Buildings	\$ 157,217	\$ 139,198
Departmental equipment	190,889	175,407
Building equipment	117,217	106,353
Land improvements and leasehold improvements	16,509	15,735
	<u>481,832</u>	<u>436,693</u>
Less accumulated depreciation	(268,283)	(247,973)
	<u>213,549</u>	<u>188,720</u>
Land	15,874	14,286
Construction-in-progress	38,581	29,277
	<u>\$ 268,004</u>	<u>\$ 232,283</u>

Construction-in-progress represents amounts expended for on-going projects throughout the Corporation. Significant projects include the expansion of the surgery departments at Memorial and Herrin as well as Epic software implementation. The projects in progress at March 31, 2016 are expected to be completed over the next three fiscal years. The estimated total costs to complete construction projects in progress at March 31, 2016 are approximately \$102,000.

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 7. Long-Term Debt

Long-term debt as of March 31, 2016 and 2015 is as follows:

	2016	2015
Series 2005 serial bonds, with interest ranging from 4.00-5.25% per annum, with semi-annual interest payments from September 1, 2010 through March 1, 2024 and annual principal payments from 2016 through 2024.	\$ 13,800	\$ 14,000
Series 2005 term bonds, with interest at 5.25% per annum, with semi-annual interest payments from September 1, 2010 through March 1, 2035 and annual principal payments from 2016 through 2035.	27,450	27,450
Series 2005 term bonds, with interest at 5.38% per annum, with semi-annual interest payments from September 1, 2010 through March 1, 2035 and annual principal payments from 2016 through 2035.	27,550	27,550
Series 2011 serial bonds, with interest at 2.51% per annum, with semi-annual interest payments from March 1, 2012 through March 1, 2020 and annual principal payments commencing in 2016 through 2020.	4,415	5,390
Series 2014A variable rate bonds, with interest at 1.04% at March 31, 2016, with monthly interest payments from July 1, 2014 through March 1, 2044 and annual principal payments from 2018 through 2044.	57,724	36,661
Series 2014B variable rate bonds, with interest at 1.05% at March 31, 2016, with monthly interest payments from July 1, 2014 through March 1, 2044 and annual principal payments from 2018 through 2044.	48,035	51,165
Note payable, with fixed interest of 3.19% due in monthly installments of \$5 including interest, final installment due May 30, 2016, secured by all of PSC's assets.	9	64
Note payable, with fixed interest of 3.08% due in monthly installments of \$6 including interest, final installment paid on July 18, 2015, secured by all of PSC's assets.	-	25
	178,983	162,305
Less current portion	(4,039)	(4,185)
	\$ 174,944	\$ 158,120

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 7. Long-Term Debt (Continued)

In January 2005, the Illinois Finance Authority (Authority) issued \$69,000 Reset Auction Mode Variable Rate Revenue Bonds, Series 2005 on behalf of the Corporation. The proceeds of the Series 2005 Bonds were loaned to the Corporation pursuant to a loan agreement between the Corporation and the Authority, and were used primarily to advance refund and defease the previously outstanding Series 2001 bonds, pay the issuing and insurance cost of the Series 2005 bonds, and finance capital improvement projects for the Corporation. Interest is paid by the Corporation at the auction rate. The bonds are due in varying amounts, beginning March 2016 with the final payment due in 2035. Payment of the principal and interest on the Series 2005 bonds is insured by Financial Security Assurance Inc. and collateralized by gross revenues (as defined) of the Corporation. The Corporation entered into an interest rate swap agreement in conjunction with the issuance of the Series 2005 revenue bonds. See Note 2 for further discussion of the Corporation's interest rate swaps. In November 2008, the Corporation converted the Series 2005 Bonds from the Reset Auction Mode Variable Rate to an Index Rate Mode. Under the Index Rate Mode, there was an initial rate period from the time of conversion through November 1, 2011. The Corporation had the right to convert the interest mode on the Bonds before November 1, 2011, which, if exercised, would trigger an automatic mandatory tender and remarketing of the Bonds on the conversion date. In February 2010, the Corporation exercised its right and the Series 2005 Bonds were subject to a Reoffering Circular. The Reoffering Circular converted the Series 2005 bonds from Index Rate Mode Securities to fixed rate securities with interest rates ranging from 4.0 percent to 5.38 percent through 2035.

The Authority issued \$14,420 of Series 2011 Revenue Refunding Bonds (Series 2011 Bonds). The Corporation borrowed the exempt bonds pursuant to a bond trust indenture between the Authority and Wells Fargo Bank, N.A., as bond trustee. The proceeds of the Series 2011 Bonds were issued to retire all previously outstanding Series 1998 Bonds.

In July 2014, the Authority issued \$75,580 and \$51,635 of Series 2014A Variable Rate Revenue Bonds and 2014B Variable Rate Revenue Bonds, respectively. The Corporation borrowed the exempt bonds pursuant to a bond trust indenture between the Authority and Wells Fargo Bank, N.A., as bond trustee. The proceeds of the Series 2014A Bonds were issued to finance the cost of acquisition, construction, renovation, and equipping of certain health facilities of the Corporation and SIHS. The proceeds of the Series 2014B Bonds were issued to refund the outstanding principal of the Series 2008 Bonds.

In accordance with the provisions of the Bond Trust Indenture, the Corporation is required to make deposits for principal and interest to cover debt service on outstanding obligations as they come due. Such deposits are held by a trustee and are reported within assets whose use is limited in the accompanying consolidated balance sheets.

At March 31, 2016, the aggregate annual maturities of long-term debt are as follows:

Year Ending March 31

2017	\$	4,039
2018		4,035
2019		4,145
2020		4,265
2021		4,385
Thereafter		158,114
	\$	<u>178,983</u>

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 7. Long-Term Debt (Continued)

The hospital revenue bonds are obligations of the Southern Illinois Healthcare Obligated Group (Obligated Group) which includes Southern Illinois Healthcare Enterprises, Inc. and its designated affiliate, Southern Illinois Hospital Services.

The Master Trust Indenture imposes certain restrictive covenants upon the Obligated Group. The most restrictive of the covenants relates to the issuance of additional debt, the calculation of the historical debt service coverage ratio of the Obligated Group and restrictions upon the ability of the Obligated Group to sell, lease or dispose of its property.

The Corporation has a credit card account ("P" Card) with a bank with a credit limit of \$7,000. As of March 31, 2016 and 2015, approximately \$575 and \$1,553, respectively, had been drawn on the credit card account.

The Corporation has a line-of-credit from a bank with a credit limit of \$4,000. The balance of the line-of-credit was \$0 as of March 31, 2016 and 2015.

Note 8. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following at March 31, 2016 and 2015:

	2016	2015
Beginning of year	\$ 17,053	\$ 16,954
Acquisitions	54	803
Amortization	(840)	(704)
End of year	<u>\$ 16,267</u>	<u>\$ 17,053</u>

Acquired intangible assets: The gross carrying amount of acquired intangible assets was \$3,625 and \$3,571 at March 31, 2016 and 2015, respectively, and accumulated amortization was \$2,115 and \$1,396 at March 31, 2016 and 2015, respectively. Aggregate amortization expense was \$719 and \$704 for the years ended March 31, 2016 and 2015, respectively. Estimated amortization expense is expected to be as follows for each of the next five years:

Year Ending March 31

2017	\$ 725
2018	462
2019	297
2020	21
2021	5
	<u>\$ 1,510</u>

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 9. Commitments and Contingencies

Regulatory investigations: The U.S. Department of Justice, other federal agencies and the Illinois Department of Public Aid routinely conduct regulatory investigations and compliance audits of health care providers. The Corporation is subject to these regulatory efforts. Management is currently unaware of any regulatory matters which may have a material effect on the Corporation's financial position or results from operations.

Litigation: The Corporation is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such matters will not have a material effect on the Corporation's consolidated financial statements.

The Corporation is also a defendant in various lawsuits which, in the opinion of management, are covered by insurance.

Effective April 1, 2006, the Corporation established an offshore captive insurance company (Captive) domiciled in the Cayman Islands. The Corporation funded the Captive through a \$3,300 infusion of capital during April 2006.

The Captive provides medical professional liability coverage, on a claims-made basis with "prior acts" coverage and general liability coverage including employee benefits liability, advertising and personal injury, product liability and completed operations liability on an occurrence basis to the Corporation and its affiliates and employees. Coverage was written for the stub period January 1, 2006 to April 1, 2006 and for the policy period April 1, 2006 to April 1, 2007, with a limit of \$3,000 for each and every claim with a \$10,000 policy aggregate for general liability and medical professional liability. As of April 1, 2008, the policy limit was decreased to \$2,000 for each claim. As of April 1, 2011, the policy aggregate increased to \$12,000 for general liability and medical professional liability.

For the policy period April 1, 2006 to April 1, 2007, the Captive provided umbrella liability coverage, excess of the primary general liability, medical professional liability, automobile liability, aviation liability and employers liability policies to the Corporation and its affiliates and employees, with limits up to \$20,000 per claim and \$20,000 in the aggregate. Effective April 1, 2007, the umbrella liability limits were increased to \$35,000 per claim and \$35,000 in the aggregate. Effective April 1, 2009, the limits increased to \$45,000 per claim and \$45,000 in the aggregate.

For the policy periods April 1, 2006 to April 1, 2012, this excess insurance policy was fully reinsured with an unrelated insurer based in the United States of America. The Corporation estimates that of its outstanding liability, approximately \$7,958 and \$5,653 can be claimed from its reinsurers, as of March 31, 2016 and 2015, respectively. In the event that the reinsurers are unable to meet their obligations under the reinsurance agreements, the Corporation would still be liable to pay losses and would only receive reimbursement to the extent that the reinsurers can meet their obligations. The Corporation has recorded a receivable in other noncurrent assets for amounts estimated to be recoverable from its reinsurers.

The Captive utilizes the services of an independent actuary to determine the estimated year-end professional and general liability. Accrued professional and general liability claim losses have been discounted at 1.0 percent as of March 31, 2016 and 2015. The portion of the accrual for estimated professional and general liability claims expected to be paid within one year of the balance sheet dates is not readily determinable and, therefore, the entire accrual balance is classified as a noncurrent liability.

There are no assurances that the Corporation or the Captive will be able to renew existing policies or procure coverage on similar terms in the future as a result of current factors affecting the insurance industry.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 9. Commitments and Contingencies (Continued)

The Corporation accrues the expense of its share of malpractice claim costs for any unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate cost of any such incident. Such an estimate is based on the Corporation's own claims experience. The Corporation has recorded liabilities for Memorial, Herrin, and St. Joseph hospitals for claims incurred but not reported (IBNR) related to claims occurring subsequent to January 1, 2005 which were not reported of \$2,028 and \$3,985 as of March 31, 2016 and 2015, respectively. The Corporation has recorded liabilities for SIMS for claims incurred but not reported related to claims occurring subsequent to January 15, 2007 which were not reported of \$3,151 and \$1,563 as of March 31, 2016 and 2015, respectively. These liabilities are included in medical professional liabilities on the consolidated balance sheets. Self-insured professional and general liability expense of approximately \$5,687 in 2016 and \$5,230 in 2015 has been included within insurance expense in the accompanying consolidated statements of operations.

In the event that the excess loss insurance and reinsurance companies are unable to meet their obligations under existing excess loss insurance and reinsurance agreements, the Corporation would be liable for such defaulted amounts.

SIMS purchased physicians and surgeons professional liability insurance coverage from the Medical Alliance Insurance Company (MAIC). MAIC provides coverage to physicians on staff at hospital members of the Illinois Provider Trust (IPT) and self-insured hospitals being served by Illinois Risk Management Services (IRMS). IPT is a pooled self-insurance trust program organized under Illinois statutes for the purpose of providing general and professional liability insurance to member hospitals on a claims-made basis.

Coverage was written for the period from January 1, 2008 to January 1, 2012 and then renewed through January 1, 2017, with a limit of \$1,000 for each and every claim with a \$3,000 per physician limit for physicians and surgeons' liability. A separate policy provides coverage for Emergency Room Physicians for the period from July 1, 2008 to July 1, 2012, and then renewed through June 30, 2014, with a limit of \$1,000 for each and every claim with a \$25,000 policy aggregate for physicians' and surgeons' liability. As of July 1, 2014, the coverage was changed to have a limit of \$1,000 for each and every claim with a \$3,000 per physician limit for physicians and surgeons' liability. A separate policy provides coverage for hospitalists for the period from January 1, 2011 to January 1, 2012, and then renewed through January 1, 2017, with a limit of \$1,000 for each and every claim with a \$3,000 per physician limit for physicians and surgeons' liability.

Employee health costs: The Corporation has elected to self-insure a portion of its employee health cost. The Corporation is self-insured up to \$300 per enrollee per year for the years ended March 31, 2016 and 2015. Losses in excess of this self-insurance amount are covered by reinsurance. The expense related to claims paid and accrued for employee health and dental costs, recognized for the years ended March 31, 2016 and 2015, was approximately \$30,505 and \$33,072, respectively.

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 9. Commitments and Contingencies (Continued)

Regulatory environment including fraud and abuse matters: The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Corporation is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or asserted at this time.

CMS Recovery Audit Contractor Program: Congress passed the Medicare Modernization Act in 2003, which among other things established a three-year demonstration of the Medicare Recovery Audit Contractor (RAC) program. The RAC identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states by 2010. CMS implemented the RAC program in Illinois in 2010. Management does not believe that Medicare RAC audits will have a material effect on the Corporation's results of operations or cash flows. At March 31, 2016 and 2015, the Corporation has recorded a reserve for estimated amounts that will be repaid under the RAC program based on the Corporation's RAC program experience to date.

Property and sales tax exemption: On June 14, 2012, the Governor of Illinois signed into law legislation that governs property and sales tax exemption for not-for-profit hospitals. The law, which was codified in Section 15-86 of the Illinois Property Tax Code and Section 3-8 of the Service Occupation Tax Act, took effect on the date it was signed. Under the law, in order to maintain its property and sales tax exemption, the value of specified services and activities of a not-for-profit hospital must equal or exceed the estimated value of the hospital's property tax liability, as determined under a formula in the law. The specified services are those that address the health care needs of low-income or underserved individuals or relieve the burden of government with regard to health care services, and include: the cost of free or discounted services provided pursuant to the hospital's financial assistance policy; other unreimbursed costs of addressing the health needs of low-income and underserved individuals; direct or indirect financial or in-kind subsidies of State and local governments; the unreimbursed cost of treating Medicaid and other means-tested program recipients; the unreimbursed cost of treating dual-eligible Medicare/Medicaid patients; and other activities that the Illinois Department of Revenue determines relieve the burden of government or address the health of low-income or underserved individuals.

On January 5, 2016, the Fourth District Appellate Court of Illinois ruled that Section 15-86 of the Illinois Property Tax Code is unconstitutional. This ruling is expected to be appealed to the Illinois Supreme Court. Management continues to believe that the Hospital meets the requirements under the 2012 law to maintain its property and sales tax exemption; however, such requirements may change based on the outcome of the Illinois Supreme Court appeal.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 9. Commitments and Contingencies (Continued)

Operating leases: At March 31, 2016, the Corporation was committed to various fixed minimum operating and rental payments under various agreements as follows:

Year Ending March 31

2017	\$	1,635
2018		1,282
2019		1,049
2020		885
2021		764
Thereafter		3,982
	\$	<u>9,597</u>

Total rent and lease expense for the years ended March 31, 2016 and 2015 was approximately \$3,334 and \$3,420, respectively.

Note 10. Defined Contribution Plans

The Corporation has a defined contribution plan covering substantially all of its employees who meet eligibility requirements. The Corporation's policy is to make matching contributions up to 2.5 percent of employee deferrals as well as a discretionary contribution of 1.5 percent of employee's earnings. The Corporation's expense under this plan was approximately \$5,772 and \$5,763 for the years ended March 31, 2016 and 2015, respectively.

The Corporation also has a supplemental nonqualified, defined contribution plan covering selected executive employees. The Corporation's policy is to make an annual contribution to the plan. This amount is calculated by multiplying each participant's percentage, as set forth in the plan document, by his or her base salary for the plan year. For the plan years commencing October 1, 2015 and 2014, the Corporation contributed approximately \$745 and \$766, respectively, to the plan.

The Corporation also has a noncontributory defined contribution investment program, containing a split dollar life option, covering designated executive employees. The Corporation's contributions are based on the compensation of the employees, and amounted to approximately \$1,096 and \$976 for the years ended March 31, 2016 and 2015, respectively.

The Corporation also has a nonqualified deferred compensation plan for selected executive level employees as defined under Section 457(b) of the Internal Revenue Code of 1986 (Code). The plan's effective date is January 1, 2012. The Corporation's policy is to make an annual contribution to the plan, not to exceed the maximum annual amount allowed under the Code. The Corporation contributed approximately \$242 and \$232 for the years ended March 31, 2016 and 2015, respectively.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 11. Related Party Transactions

Southern Illinois Hospital Services is under the control of Southern Illinois Healthcare Enterprises, Inc. (SIHE). SIHE is a not-for-profit corporation established as a parent corporation. The Corporation is included in the consolidated financial statements of SIHE. The Corporation rents buildings from SIHE. Rent paid to SIHE totaled approximately \$884 and \$898 for the years ended March 31, 2016 and 2015, respectively.

Health Services of Southern Illinois, Inc. (HSSI), an Illinois for-profit corporation, was established to engage in other health-related activities, and is also under common control of SIHE. Current year transactions include administrative activities, rent transfers, salaries, benefits, and operational expenses related to a small fitness center in McLeansboro, Illinois.

Note 12. Fair Value of Financial Instruments

ASC 825 requires disclosure of fair value information about financial instruments, whether or not recognized in the consolidated balance sheets. Fair value is determined under the framework established by ASC 820. ASC 825 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Corporation. The following information presents estimated fair values of the Corporation's financial instruments as of March 31, 2016 and 2015 and the methods and assumptions used to estimate those fair values. The Corporation's financial instruments include cash and cash equivalents, accounts receivable, notes receivable, other current assets, and accounts payable. Based on the current maturity of these instruments, carrying value approximates fair value. The Corporation also has assets whose use is limited, investments and debt. The fair value of assets whose use is limited and investments is based upon quoted market rates or, if not available, estimated market rates. The fair value of the Corporation's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Corporation. Fair value of the Corporation's long-term debt at March 31, 2016 and 2015 was approximately \$178,983 and \$162,216, respectively.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 13. Fair Value Measurements

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. The fair values of U.S. Government securities and corporate debt obligations are determined by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (market approach valuation technique).

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

There were no transfers into or out of Level 1 or Level 2 that occurred between April 1, 2015 and March 31, 2016 or between April 1, 2014 and March 31, 2015.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Exchange traded funds: The fair values of exchange traded hedge funds are based upon quoted market prices (Level 1 inputs).

Mutual funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Common stock and options: The fair values of common stocks and options are determined by obtaining quoted prices from a nationally recognized exchange (Level 1 inputs).

Corporate bonds: The fair value of corporate bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments.

While most corporate bonds are categorized in Level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3.

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 13. Fair Value Measurements (Continued)

U.S. government securities: U.S. government securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. U.S. government securities are categorized in Level 1 or Level 2 of the fair value hierarchy depending on the inputs used and market activity levels for specific securities.

JPS credit opportunities fund: The Corporation's investment in the JPS credit opportunities fund (Fund) is valued in accordance with the Fund's valuation policy and processes. Management receives monthly Net Asset Value (NAV) statements from a third party administrator, Globe Opp. As of March 31, 2016 and 2015, Globe Opp has determined that all assets in the Fund are Level 1 or Level 2 with 100 percent confirmation by GlobeOpp of pricing, transactions, positions, investor transactions, and fee calculations. The market for the liquidation of the Fund position is redemption by the Fund of the shares held, at NAV, on a calendar quarter basis.

Interest rate swap contracts: The Corporation's interest rate swaps are pay-fixed, receive variable interest rate swaps based on LIBOR or SIFMA Municipal Swap Index rates (swap rates). The swap rates are observable at commonly quoted intervals for the full term of the swaps and therefore are considered a Level 2 item. For the interest rate swaps in an asset position, the credit standing of the counterparty is analyzed and factored into the fair value measurement of the asset. ASC 820 states that the fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Corporation's creditworthiness has also been factored into the fair value measurement of the interest rate swaps in a liability position.

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements
(In Thousands)

Note 13. Fair Value Measurements (Continued)

Assets and liabilities at fair value on a recurring basis: The following table summarizes assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 and 2015, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

	March 31, 2016	Quote Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets				
Investments:				
Cash equivalents	\$ 13,162	\$ 13,162	\$ -	\$ -
Common stock:				
Domestic equity	93,708	93,708	-	-
Emerging markets	8,338	8,338	-	-
Equity mutual funds	169,497	169,497	-	-
Fixed income mutual funds	81	81	-	-
Corporate bonds	36,003	-	36,003	-
International corporate bonds	2,308	-	2,308	-
International finance bonds	4,089	-	4,089	-
International government agency bonds	14,251	-	14,251	-
Municipal bonds	6,123	-	6,123	-
Commercial asset-backed securities	2,118	-	2,118	-
Government agency securities	28,156	4,096	24,060	-
Alternative investments	11,135	-	11,135	-
	<u>\$ 388,969</u>	<u>\$ 288,882</u>	<u>\$ 100,087</u>	<u>\$ -</u>
Interest rate swap contracts	\$ 18,365	\$ -	\$ 18,365	\$ -

Southern Illinois Hospital Services

**Notes to Consolidated Financial Statements
(In Thousands)**

Note 13. Fair Value Measurements (Continued)

	March 31, 2015	Quote Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Investments:				
Cash equivalents	\$ 27,979	\$ 27,979	\$ -	\$ -
Common stock:				
Domestic equity	121,928	121,928	-	-
Emerging markets	84,601	84,601	-	-
Equity mutual funds	52,694	52,694	-	-
Corporate bonds	46,925	-	46,925	-
International corporate bonds	1,816	-	1,816	-
International finance bonds	4,558	-	4,558	-
International government agency bonds	13,401	-	13,401	-
Municipal bonds	4,208	-	4,208	-
Mortgage-backed securities	22,166	-	22,166	-
Government agency securities	4,083	4,083	-	-
JPS credit opportunities fund	10,735	-	10,735	-
	<u>\$ 395,094</u>	<u>\$ 291,285</u>	<u>\$ 103,809</u>	<u>\$ -</u>
Interest rate swap contracts	\$ 16,675	\$ -	\$ 16,675	\$ -

Note 14. Concentrations of Credit Risk

The Corporation grants credit, without collateral, to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of gross patient service revenue and receivables from patients and third-party payors as of and for the years ended March 31, 2016 and 2015 was as follows:

	Gross Patient Service Revenue		Gross Patient Receivables	
	2016	2015	2016	2015
Medicare	45 %	44 %	25 %	19 %
Medicaid	22	22	21	46
Other third-party payors	30	31	44	26
Patients	3	3	10	9
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Southern Illinois Hospital Services

Notes to Consolidated Financial Statements (In Thousands)

Note 14. Concentrations of Credit Risk (Continued)

At March 31, 2016 and 2015, the Corporation had cash deposits in bank accounts which exceeded Federal Depository Insurance Corporation limits by material amounts. The majority of this excess was on deposit with local financial institutions and management believes that the credit risk related to these deposits is minimal.

The Corporation routinely invests in money market mutual funds. Investments in money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these investments is minimal.

Note 15. Lessor Operating Leases

The Corporation has constructed professional office buildings and, as lessor, rents certain space to physicians. These lease agreements have original terms ranging from 1 to 10 years. Future minimum lease payments receivable under leasing arrangements as of March 31, 2016 are as follows:

Year Ending March 31

2017	\$	528
2018		126
2019		74
2020		23
2021		14
Thereafter		40
	\$	<u>805</u>

Note 16. Functional Expenses

The Corporation provides comprehensive quality health care services to the residents of the Southern Illinois area. The operating expenses included in the consolidated statements of operations are primarily related to providing these health care-related services. For the years ended March 31, 2016 and 2015, these expenses are as follows:

	2016	2015
Health care services	\$ 456,306	\$ 439,731
General and administrative	90,445	68,836
Fundraising	209	251
	<u>\$ 546,960</u>	<u>\$ 508,818</u>

Supplementary Information

Southern Illinois Hospital Services
 Consolidating Balance Sheet
 March 31, 2016
 (In Thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners LLC	Eliminations	Total
Assets												
Current assets:												
Cash and cash equivalents	\$ 5,308	\$ 3,539	\$ 2,827	\$ 431	\$ 12,105	\$ 738	\$ 488	\$ 388	\$ 944	\$ 186	\$ -	\$ 14,849
Assets whose use is limited by trust agreement	68	15	7	-	90	-	-	-	-	-	-	90
Accounts receivable:												
Patients, net	55,542	27,817	13,595	-	96,954	14,383	-	705	-	-	-	112,052
Affiliates	-	-	-	49,995	49,995	384	-	-	-	-	(50,206)	173
Supplies	6,817	2,123	1,200	1,666	11,806	28	-	259	-	-	-	12,093
Prepaid expenses	909	289	124	4,618	5,940	1,321	12	54	-	-	-	7,327
Current portion of notes receivable	-	63	-	-	63	-	-	-	-	-	-	63
Other	164	341	45	1,004	1,554	102	-	-	-	-	-	1,656
Total current assets	68,808	34,187	17,798	57,714	178,507	18,966	500	1,406	944	186	(50,206)	148,303
Assets whose use is limited by:												
Board designation for capital improvements	-	-	-	358,228	358,228	-	-	-	-	-	-	358,228
Board designation for self-insurance	-	-	-	-	-	-	30,651	-	-	-	-	30,651
	-	-	-	358,228	358,228	-	30,651	-	-	-	-	388,879
Property and equipment, net	136,685	58,319	18,929	29,633	243,566	24,237	-	201	-	-	-	268,004
Other assets:												
Unamortized bond issuance costs, net	2,184	837	176	-	3,197	-	-	-	-	-	-	3,197
Investment in joint venture	1,422	1	-	401	1,824	-	-	-	-	-	(401)	1,423
Notes receivable, less current portion	-	103	-	-	103	143	-	-	-	-	-	246
Goodwill	-	1,232	-	-	1,232	12,760	-	765	-	-	-	14,757
Intangible assets, net	-	33	-	-	33	1,477	-	-	-	-	-	1,510
Other	181	163	-	2,503	2,847	6,857	7,958	-	-	-	-	17,662
	3,787	2,389	178	2,904	9,238	21,237	7,958	765	-	-	(401)	38,795
Total assets	\$ 208,280	\$ 94,875	\$ 36,903	\$ 448,479	\$ 789,537	\$ 62,440	\$ 39,109	\$ 2,372	\$ 944	\$ 186	\$ (50,607)	\$ 843,981

(continued)

Southern Illinois Hospital Services

Consolidating Balance Sheet (Continued)
 March 31, 2016
 (In Thousands)

	Memorial Hospital of Carbondale	Heintz Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Caymen SPC Group, Ltd	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners LLC	Eliminations	Total
Liabilities and Net Assets												
Current liabilities:												
Current maturities of long-term debt	\$ 2,224	\$ 1,374	\$ 432	\$ -	\$ 4,030	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ 4,039
Accounts payable	1,736	425	-	-	2,161	-	-	-	-	-	-	2,161
Construction contracts	13,173	5,217	1,960	10,075	30,415	1,918	88	390	-	-	5	32,816
Trade	-	-	-	-	-	48,840	176	18	69	1,153	(50,211)	45
Affiliates	5,487	5,541	1,734	-	12,762	-	-	308	-	-	-	13,070
Estimated third-party payor settlements	8,030	5,198	1,741	5,258	20,227	11,016	-	58	-	-	-	31,301
Accrued liabilities:	2,074	1,250	298	3,457	7,089	2,392	-	2	-	300	-	9,783
Payroll and related expenses	32,724	19,015	6,155	18,790	76,684	64,166	264	785	69	1,453	(50,206)	93,215
Other	123,453	39,675	11,818	-	174,944	-	-	-	-	-	-	174,944
Total current liabilities	10,506	6,337	1,522	-	18,365	-	-	-	-	-	-	18,365
Long-term debt, less current maturities	1,156	619	254	-	2,029	9,001	38,712	-	-	-	-	49,742
Interest rate swap contracts	98	235	27	317	647	260	-	-	-	-	-	927
Medical professional liabilities	136,213	46,836	13,619	317	195,985	9,281	38,712	-	-	-	-	243,978
Other	167,937	65,851	19,774	19,107	272,669	73,447	38,976	785	69	1,453	(50,206)	337,193
Total liabilities	41,320	29,021	17,091	428,989	516,401	(11,007)	120	1,100	-	-	(1,220)	-
Net assets:	41,320	29,021	17,091	428,989	516,401	(11,007)	13	(224)	-	(1,267)	819	504,735
Common stock	-	-	-	-	-	-	-	-	-	-	-	-
SIHS controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Total unrestricted	41,320	29,021	17,091	428,989	516,401	(11,007)	133	1,587	-	(1,267)	(401)	505,446
Temporarily restricted	23	3	36	403	467	-	-	-	875	-	-	1,342
Total net assets	41,343	29,024	17,129	429,372	516,868	(11,007)	133	1,587	875	(1,267)	(401)	506,788
Total liabilities and net assets	\$ 208,280	\$ 84,875	\$ 36,903	\$ 448,479	\$ 769,537	\$ 62,440	\$ 38,109	\$ 2,372	\$ 944	\$ 188	\$ (50,607)	\$ 843,981

Southern Illinois Hospital Services
 Consolidating Balance Sheet
 March 31, 2015
 (In Thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners, LLC	Eliminations	Total
Assets												
Current assets:												
Cash and cash equivalents	\$ 4,612	\$ 2,202	\$ 1,821	\$ 53	\$ 8,888	\$ 1,101	\$ 357	\$ 491	\$ 895	\$ 6	\$ -	\$ 11,538
Assets whose use is limited by trust agreement	43	15	6	-	64	-	-	-	-	-	-	64
Accounts receivable:												
Patients, net												
Affiliates	52,031	26,075	13,105	-	91,211	13,057	-	813	-	-	-	105,181
Supplies	6,531	1,713	1,228	37,046	37,046	174	-	-	-	-	(37,165)	55
Prepaid expenses	1,002	269	116	1,493	10,965	4	-	328	-	-	-	11,297
Current portion of notes receivable	-	241	-	3,771	5,158	1,173	11	36	-	-	-	6,378
Other	220	316	90	504	745	-	-	-	-	-	-	745
Total current assets	64,439	30,831	16,369	43,972	155,811	15,635	371	1,768	895	6	(37,165)	137,121
Assets whose use is limited by:												
Board designation for capital improvements	241,484	95,197	21,957	7,319	365,957	-	-	-	-	-	-	365,957
Board designation for self insurance	241,484	95,197	21,957	7,319	365,957	-	29,073	-	-	-	-	29,073
Property and equipment, net	111,276	52,119	18,952	27,633	209,980	22,025	-	278	-	-	-	232,283
Other assets:												
Unamortized bond issuance costs, net	2,314	887	186	-	3,387	-	-	-	-	-	-	3,387
Investment in joint venture	1,812	1	-	721	2,534	-	-	-	-	-	(721)	1,813
Notes receivable, less current portion	-	150	-	-	150	102	-	-	-	-	-	252
Goodwill	-	1,232	-	-	1,232	12,881	-	765	-	-	-	14,878
Intangible assets, net	-	46	-	-	46	2,129	-	-	-	-	-	2,175
Other	168	138	123	2,209	2,638	7,634	5,653	-	-	-	-	15,925
Total assets	\$ 421,493	\$ 180,501	\$ 57,587	\$ 81,854	\$ 741,535	\$ 60,406	\$ 35,087	\$ 2,811	\$ 895	\$ 6	\$ (37,886)	\$ 802,864

(continued)

Southern Illinois Hospital Services
 Consolidating Balance Sheet (Continued)
 March 31, 2015
 (In Thousands)

	Memorial Hospital of Carbondale	Henn Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners, LLC	Eliminations	Total
Liabilities and Net Assets												
Current liabilities:												
Current maturities of long-term debt	\$ 2,206	1,431	\$ 468	\$ -	\$ 4,105	\$ -	\$ -	\$ 80	\$ -	\$ -	\$ -	\$ 4,185
Accounts payable:												
Construction contracts	889	11	53	31	984	-	-	-	-	-	-	984
Trade	9,121	3,664	3,838	9,984	26,707	1,334	128	107	-	-	(3)	28,271
Affiliates	-	-	-	12	12	35,257	1,136	17	1	751	(37,162)	12
Estimated third-party payor settlements	5,169	4,221	2,460	-	11,870	-	-	169	-	-	-	12,039
Accrued liabilities:												
Payroll and related expense	8,268	5,169	1,869	4,646	19,952	10,178	-	81	-	-	-	30,211
Other	1,893	1,136	436	2,886	6,351	2,170	-	3	-	300	-	8,824
Total current liabilities	27,566	15,632	9,224	17,558	69,981	48,939	1,262	457	1	1,051	(37,165)	84,526
Long-term debt, less current maturities	106,891	41,112	11,308	-	158,111	-	-	9	-	-	-	158,120
Interest rate swap contracts	9,575	5,737	1,363	-	16,675	-	-	-	-	-	-	16,675
Medical professional liabilities	2,272	1,215	498	-	3,985	8,363	33,703	-	-	-	-	46,051
Other	6	36	32	326	402	150	-	-	-	-	-	552
Total liabilities	117,544	48,102	13,201	326	178,173	8,513	33,703	9	-	-	-	221,388
Total liabilities	145,110	63,734	22,425	17,885	249,154	57,452	34,965	466	1	1,051	(37,165)	305,924
Net assets:												
Common stock	-	-	-	-	-	-	120	1,100	-	-	(1,220)	-
SIHS controlling interest	276,365	116,867	35,161	63,572	491,965	2,964	12	175	17	(1,045)	499	494,577
Non-controlling interest	-	-	-	-	-	-	-	1,070	-	-	-	1,070
Total unrestricted	276,365	116,867	35,161	63,572	491,965	2,964	132	2,345	17	(1,045)	(721)	496,647
Temporarily restricted	18	-	1	397	416	-	-	-	877	-	-	1,293
Total net assets	276,383	116,867	35,162	63,969	492,381	2,964	132	2,345	894	(1,045)	(721)	498,940
Total liabilities and net assets	\$ 421,493	\$ 180,601	\$ 57,587	\$ 81,854	\$ 741,535	\$ 60,406	\$ 35,097	\$ 2,811	\$ 895	\$ 6	\$ (37,886)	\$ 802,864

Southern Illinois Hospital Services

Consolidating Statement of Operations
Year Ended March 31, 2018
(In Thousands)

	Memorial Hospital of Carbondale	Hennin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners LLC	Eliminations	Total
Revenues:												
Patient service revenue, net	\$ 268,312	\$ 166,333	\$ 68,471	\$ -	\$ 505,116	\$ 74,531	\$ -	\$ 3,920	\$ -	\$ -	\$ -	\$ 583,567
Provision for bad debts	(11,082)	(9,230)	(3,619)	5	(23,926)	(2,929)	-	(190)	-	-	-	(27,046)
Net patient service revenue, less provision for bad debts	256,230	157,103	64,852	5	481,190	71,602	-	3,730	-	-	-	556,532
Other operating revenue	2,531	969	264	1,440	5,212	1,868	-	-	(877)	480	(6,707)	5,111
Meaningful use incentive revenue	64	12	-	-	76	372	-	-	-	-	-	448
Net assets released from restriction	18	-	1	(4)	15	-	-	-	877	-	-	892
Corporate allocation	826	442	181	(1,449)	-	-	-	-	-	-	-	-
Total revenues	261,669	158,526	66,298	-	486,493	73,842	-	3,730	-	480	(6,707)	562,973
Expenses:												
Salaries	63,411	41,946	12,829	28,575	147,763	54,988	-	972	-	274	-	203,977
Employee benefits	21,771	13,477	4,502	5,529	46,279	10,574	-	270	-	23	-	56,146
Physicians' fees	20,668	9,494	3,269	130	33,451	19,112	-	-	-	-	(23,634)	28,929
Professional fees	10,360	4,299	2,803	19,097	36,559	16,043	169	746	-	73	(6,155)	47,435
Purchased services	4,062	1,897	513	6,404	12,666	1,425	-	72	-	276	(19)	14,420
Patient chargeable supplies	31,564	13,069	1,862	-	46,505	399	-	-	-	-	-	46,904
Patient nonchargeable supplies	9,632	5,835	1,581	7	17,035	705	-	-	-	-	-	17,740
Drugs and pharmaceuticals	12,715	4,397	8,014	-	25,126	3,369	-	1,280	-	-	-	29,775
Other supplies	4,311	2,656	491	-	9,534	576	-	59	-	-	-	10,172
Rent	1,311	736	322	753	3,122	2,030	-	212	-	-	(2,030)	3,334
Repairs and maintenance	4,049	1,885	718	10,866	17,318	435	-	40	-	-	(127)	17,666
Insurance	3,534	1,888	781	593	6,776	5,482	-	36	-	-	(5,138)	11,886
Miscellaneous	8,511	2,928	1,143	3,778	16,360	(27,940)	87	77	17	53	30,396	18,050
Interest and amortization	4,119	2,166	405	40	6,730	827	-	2	-	-	-	7,559
Depreciation	11,303	6,185	2,368	10,268	30,114	1,729	-	124	-	-	-	31,967
Corporate allocation	50,796	27,181	11,140	(89,117)	-	-	-	-	-	-	-	-
Total expenses	261,987	139,641	52,711	(1)	454,338	89,734	4,986	3,890	17	702	(6,707)	546,960
Income (loss) from operations	(318)	18,885	13,567	1	32,155	(15,892)	149	(160)	(17)	(222)	-	16,013
Nonoperating gains (losses):												
Unrestricted gifts and interest income	836	319	229	48	1,432	113	-	16	-	-	-	1,561
Investment income and net realized gains (losses) from board designated funds	-	-	-	(3,331)	(3,331)	-	309	-	-	-	-	(3,022)
Change in net unrealized gains and losses on investments	705	380	-	(4,396)	(4,396)	-	(457)	-	-	-	-	(4,855)
Equity in earnings of joint venture	(4,088)	(2,187)	(896)	7,171	1,085	-	-	-	-	-	-	1,085
Corporate allocation	(73)	98	80	-	105	-	-	-	-	-	-	105
Unrealized gain (loss) in fair value of interest rate swaps, not designated as hedging instruments	(8)	(282)	(47)	510	163	(4)	-	65	-	-	-	224
Other	(2,828)	(1,852)	(634)	-	(4,944)	109	(148)	81	-	-	-	(4,902)
Excess (deficiency) of revenues over expenses	(2,946)	17,203	12,953	1	27,211	(15,783)	1	(79)	(17)	(222)	-	11,111
Corporate allocation	1	-	-	(1)	-	-	-	-	-	-	-	-
Contributions for equipment	712	32	97	-	842	-	-	-	-	-	-	842
Contributions from affiliate	(231,954)	(104,383)	(29,059)	385,396	-	-	-	-	-	-	-	-
Unrealized loss in fair value of interest rate swap, designated as hedging instrument	(858)	(698)	(239)	-	(1,795)	-	-	-	-	-	-	(1,795)
Net asset transfer	-	-	(1,822)	-	(1,822)	1,822	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	\$ (235,046)	\$ (87,846)	\$ (18,070)	\$ 385,397	\$ 24,436	\$ (13,961)	\$ 1	\$ (79)	\$ (17)	\$ (222)	\$ -	\$ 10,158

Southern Illinois Hospital Services
 Consolidating Statement of Operations
 Year Ended March 31, 2015
 (In Thousands)

	Memorial Hospital of Carbondale	Hennin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayanman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation	Quality Health Partners LLC	Eliminations	Total
Revenues:												
Patient service revenue, net	\$ 246,906	\$ 151,843	\$ 61,807	\$ -	\$ 460,556	\$ 74,642	\$ -	\$ 4,999	\$ -	\$ -	\$ -	\$ 540,157
Provision for bad debts	(8,689)	(6,193)	(2,732)	6	(18,588)	(5,984)	-	(385)	-	-	-	(25,957)
Net patient service revenue, less provision for bad debts	238,237	145,650	59,075	6	440,968	68,658	-	4,574	-	-	-	514,200
Other operating revenue	2,070	941	208	1,271	4,490	4,472	5,284	2	(1,883)	953	(6,386)	6,932
Meaningful use incentive revenue	1,750	1,559	76	-	3,385	854	-	-	-	-	-	4,239
Net assets released from restriction	2	-	8	73	83	-	-	-	-	-	-	1,948
Corporate allocation	769	412	169	(1,350)	-	-	-	-	1,883	-	-	-
Total revenues	242,828	146,562	59,536	-	448,926	73,984	5,284	4,576	-	953	(6,386)	527,317
Expenses:												
Salaries	56,585	39,231	13,219	26,878	136,891	53,155	-	992	-	289	-	199,307
Employee benefits	22,494	13,698	4,887	5,811	46,870	10,359	-	293	-	23	-	57,545
Physicians' fees	17,873	8,269	2,878	149	29,169	15,519	-	-	-	-	(21,065)	23,623
Professional fees	9,295	3,841	3,022	6,758	22,916	17,978	171	787	-	183	(5,657)	36,338
Purchased services	6,614	2,016	582	5,908	15,118	968	-	55	-	304	(20)	16,415
Patient chargeable supplies	27,114	12,682	1,503	41,299	505	-	-	-	-	-	-	41,804
Patient nonchargeable supplies	9,797	5,758	1,495	18	17,068	697	-	-	-	-	-	17,765
Drugs and pharmaceuticals	8,202	5,007	9,937	-	21,146	1,957	-	1,051	-	-	-	24,154
Other supplies	4,061	3,225	471	1,780	9,547	799	-	64	-	5	-	10,415
Rent	1,218	695	328	816	3,055	1,862	-	207	-	-	(1,704)	3,420
Repairs and maintenance	3,764	1,651	615	9,306	15,336	489	-	41	-	-	-	15,866
Insurance	4,326	2,287	935	369	7,917	3,862	-	40	-	-	-	12,133
Miscellaneous	8,319	1,787	695	3,669	14,750	(25,149)	63	83	34	2	(5,261)	17,114
Interest and amortization	4,850	2,738	807	33	8,228	692	-	118	-	-	-	9,038
Depreciation	9,702	6,117	2,084	10,153	28,056	1,662	-	135	-	-	-	29,893
Corporate allocation	41,014	21,946	8,994	(71,954)	-	-	-	-	-	-	-	-
Total expenses	238,208	130,928	52,230	-	419,366	85,383	5,788	3,856	34	788	(6,386)	508,818
Income (loss) from operations	6,620	15,634	7,306	-	29,560	(11,409)	(525)	720	(34)	187	-	18,499
Nonoperating gains (losses):												
Unrestricted gifts and interest income	1,638	585	411	35	2,669	247	-	23	18	-	-	2,957
Investment income and net realized gains from board designated funds	19,332	7,616	1,757	586	29,291	-	-	-	-	-	-	30,033
Change in net unrealized gains and losses on investments	(7,486)	(2,953)	(691)	(227)	(11,357)	-	742	-	-	-	-	(11,574)
Equity in earnings of joint venture	847	458	-	-	1,305	-	(217)	-	-	-	-	1,303
Corporate allocation	117	62	25	(204)	-	-	-	-	-	-	-	-
Unrealized loss in fair value of interest rate swap	(3,831)	(2,387)	(603)	-	(6,921)	-	-	-	-	-	-	(6,821)
Other	(174)	(58)	(202)	(190)	(524)	(69)	-	(335)	-	-	-	(1,028)
Excess (deficiency) of revenues over expenses	10,433	3,321	707	178	14,461	178	825	(312)	18	-	-	14,870
Corporate allocation	17,053	18,955	8,013	-	44,021	(11,231)	-	408	(16)	187	-	33,369
Contributions for equipment	898	480	197	(1,575)	-	-	-	-	-	-	-	-
Contributions from affiliate	8	3	35	1,619	-	-	-	-	-	-	-	-
Net asset transfer	4,908	(9,386)	(4,964)	8,442	-	-	-	-	-	-	-	1,619
Increase (decrease) in unrestricted net assets	\$ 22,865	\$ 10,052	\$ 1,546	\$ 9,442	\$ 43,905	\$ (9,498)	\$ -	\$ 408	\$ (16)	\$ 187	\$ -	\$ 34,988

