

PUBLIC DISCLOSURE COPY

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2017

Open to Public Inspection

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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

A For the 2017 calendar year, or tax year beginning 04/01, 2017, and ending 03/31, 20 18

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

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

G Gross receipts \$ 2,150,966,076

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	<u>13</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>12</u>
	5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	<u>3,743</u>
	6	Total number of volunteers (estimate if necessary)	6	<u>239</u>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	<u>0</u>
b	Net unrelated business taxable income from Form 990-T, line 34	7b	<u>0</u>	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	<u>2,157,115</u>	<u>1,815,787</u>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>514,708,101</u>	<u>533,781,899</u>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>13,962,068</u>	<u>44,156,286</u>
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>6,102,761</u>	<u>6,207,214</u>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<u>536,930,045</u>	<u>585,961,186</u>
	14	Benefits paid to or for members (Part IX, column (A), line 4)	<u>556,913</u>	<u>627,290</u>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<u>0</u>	<u>0</u>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	<u>194,089,744</u>	<u>210,806,504</u>
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>127,721</u>	<u>0</u>	<u>0</u>
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<u>270,029,957</u>	<u>294,217,268</u>
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<u>464,676,614</u>	<u>505,651,062</u>
19	Revenue less expenses. Subtract line 18 from line 12	<u>72,253,431</u>	<u>80,310,124</u>	
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)	<u>951,641,265</u>	<u>1,033,015,904</u>
	22	Net assets or fund balances. Subtract line 21 from line 20	<u>344,542,257</u>	<u>358,098,811</u>
		<u>607,099,008</u>	<u>674,917,093</u>	

Part II Signature Block

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

Sign Here

Signature of officer _____ Date _____

Type or print name and title MIKE KASSER, CFO

Paid Preparer Use Only

Print/Type preparer's name RACHEL SPURLOCK Preparer's signature *Rachel Spurlock* Date 1/7/19 Check if self-employed PTIN P00520729

Firm's name ▶ CROWE 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** (2017)

Application for Automatic Extension of Time To File an Exempt Organization Return

(Rev. January 2017)

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

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

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. SOUTHERN ILLINOIS HOSPITAL SERVICES	Enter filer's identifying number, see instructions Employer identification number (EIN) or 37-0618939
	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 3988	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CARBONDALE, IL 62902-3988	

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

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

• The books are in the care of ► [MIKE KASSER](#)

Telephone No. ► [\(618\) 457-5200](#) Fax No. ►

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

1 I request an automatic 6-month extension of time until 02/15, 20 19, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20 ____ or
- tax year beginning 04/01, 20 17, and ending 03/31, 20 18 .

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

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

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

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 \$ 410,444,698 including grants of \$ 342,008) (Revenue \$ 538,025,839)

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 242,000. 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 \$ 1,470,479 including grants of \$ 285,282) (Revenue \$ 0)

THROUGH OUR COMMUNITY BENEFITS PROGRAM AND SERVICES, SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) HAS EXTENDED ITS CARE BEYOND HOSPITAL WALLS AND INTO THE NEIGHBORHOODS WHERE PEOPLE LIVE AND WORK TO POSITIVELY IMPACT THOSE COMMUNITIES. 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 \$ 293,927 including grants of \$ 0) (Revenue \$ 0)

SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PROVIDES PROGRAMS TO IMPROVE THE HEALTH AND WELL-BEING OF OUR COMMUNITIES. (CONTINUED IN SCHEDULE O)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 412,209,104

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>	<input checked="" type="checkbox"/>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
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>		<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	
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>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	<input checked="" type="checkbox"/>	
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>		<input checked="" type="checkbox"/>
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<input checked="" type="checkbox"/>	
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>	<input checked="" type="checkbox"/>	
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>		<input checked="" type="checkbox"/>
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>		<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	

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

Table with columns for line number, description, and Yes/No checkboxes. Includes lines 1a through 14b with various tax-related questions and numerical inputs.

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?		<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	<input checked="" type="checkbox"/>	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<input checked="" type="checkbox"/>	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<input checked="" type="checkbox"/>	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	<input checked="" type="checkbox"/>	
8b	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

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

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

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 BUDDE PRESIDENT/CEO	40.0 15.0	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				948,284	0	274,905
(2) MARLENE SIMPSON SECRETARY	2.0 1.0	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				300	0	0
(3) DR TERRENCE GLENNON CHAIR	2.0 2.0	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				300	0	0
(4) MIKE HUDSON VICE CHAIR	2.0 1.0	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				300	0	0
(5) STEVE SABENS TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						400	0	0
(6) EUGENE BASANTA TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						250	0	0
(7) KATHLEEN FRALISH TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						200	0	0
(8) HAROLD BARDO TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						350	0	0
(9) GEORGE O'NEILL TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						300	0	0
(10) MORTON LEVINE TRUSTEE	2.0 2.0	<input checked="" type="checkbox"/>						350	0	0
(11) DEBRA MCMORROW TRUSTEE	2.0 1.0	<input checked="" type="checkbox"/>						350	0	0
(12) BOB MEES TRUSTEE	2.0 1.0	<input checked="" type="checkbox"/>						300	0	0
(13) PARVIZ SANJABI, MD TRUSTEE	2.0 1.0	<input checked="" type="checkbox"/>						350	0	0
(14) MIKE KASSER SR VP/CFO/TREASURER	40.0 15.0			<input checked="" type="checkbox"/>				550,438	0	147,153

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) WILLIAM SHERWOOD VP/ GENERAL COUNSEL	40.0 15.0			✓			467,693	0	48,623	
(16) JULIE FIRMAN VP/CNO	50.0 0.0			✓			357,941	0	93,020	
(17) PHILIP SCHAEFER SR VP/ ADMINISTRATOR/CCNDO	25.0 40.0			✓			498,562	0	147,449	
(18) PAM HENDERSON VP/ HR	50.0 0.0			✓			351,597	0	80,175	
(19) JOHN B MILLSTEAD SR VP/COO	55.0 0.0			✓			608,563	0	182,017	
(20) WILLIAM THORNE VP/ COMMUNITY BENEFITS	50.0 0.0			✓			297,621	0	92,340	
(21) TERENCE FARRELL VP/ ADMINISTRATOR PARTIAL YEAR	55.0 0.0			✓			514,428	0	140,249	
(22) SHELLY PIERCE VP/QUALITY	30.0 25.0			✓			306,232	0	56,749	
(23) DANIEL SKILES VP HEALTH	43.0 12.0			✓			303,388	0	58,885	
(24) MARCI L MOORE-CONNELLEY, MD SR VP/CMO	40.0 15.0			✓			492,549	0	65,907	
(25) (SEE STATEMENT)										
1b Sub-total							5,701,046	0	1,387,472	
c Total from continuation sheets to Part VII, Section A							1,307,550	0	214,002	
d Total (add lines 1b and 1c)							7,008,596	0	1,601,474	

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 **▶** 172

	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>	3 ✓	
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>	4 ✓	
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>		5 ✓

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
MEDICAL STAFFING NETWORK, INC, PO BOX 840292, DALLAS, TX 75247	STAFFING	5,070,603
BRIGHAM ANESTHESIA SOUTH LLC, 35 ALBANY RD STE C, CARBONDALE, IL 62903	MEDICAL AND HEALTHCARE PAYMENTS	3,849,959
MCDERMOTT WILL & EMERY LLP, 227 W MONROE, CHICAGO, IL 60606	LEGAL SERVICES	3,383,353
AOS LLC, 1859 BOWLES AVE, SUITE 200, FENTON, MO 63026	INFORMATION TECHNOLOGY SERVICES	3,174,488
SHIRLEY RYAN ABILITY LAB, 355 EAST ERIE, CHICAGO, IL 60611	MEDICAL SERVICES	2,999,531

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 **▶** 45

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	811,704					
	e	Government grants (contributions)	1e	857,427					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	146,656					
	g	Noncash contributions included in lines 1a-1f: \$		0					
	h	Total. Add lines 1a-1f		1,815,787					
Program Service Revenue	2a	<u>PATIENT REVENUE</u>	Business Code	622110	531,808,983	531,808,983	0	0	
	b	<u>AFFILIATE INCOME IN SOUTHERN ILLINOIS ORTHOPEDIC CENTER</u>		900099	1,244,268	1,244,268	0	0	
	c	<u>LEASEHOLD REVENUE FROM RELATED ORGANIZATIONS</u>		531120	728,648	728,648	0	0	
	d				0	0	0	0	
	e								
	f	All other program service revenue			0	0	0	0	
	g	Total. Add lines 2a-2f			533,781,899				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)			15,421,078	0	0	15,421,078	
	4	Income from investment of tax-exempt bond proceeds			0	0	0	0	
	5	Royalties			0	0	0	0	
	6a	Gross rents	(i) Real	(ii) Personal					
					556,975				
					529,126				
					27,849	0			
	d	Net rental income or (loss)			27,849	0	0	27,849	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
					1,593,210,972	0			
					1,564,475,764				
					28,735,208	0			
	d	Net gain or (loss)			28,735,208	0	0	28,735,208	
	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							
		c							
Miscellaneous Revenue				Business Code					
11a	<u>CAFETERIA/VENDING/HOSPITAL AUXILIARY</u>		900099	2,682,881	747,456	0	1,935,425		
b	<u>MEDICAL RECORDS/X-RAY</u>		621300	335,613	335,613	0	0		
c	<u>PHYSICIAN HOSPITAL ORGANIZATION REVENUE</u>		900099	2,001,749	2,001,749	0	0		
d	All other revenue		900099	1,159,122	1,159,122	0	0		
e	Total. Add lines 11a-11d			6,179,365					
12	Total revenue. See instructions.			585,961,186	538,025,839	0	46,119,560		

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	627,290	627,290		
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	7,500,551	1,372,398	6,128,153	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)	264,061	264,061	0	0
7 Other salaries and wages	158,349,763	126,105,825	32,145,727	98,211
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,593,617	3,247,338	344,036	2,243
9 Other employee benefits	29,279,241	27,132,185	2,134,295	12,761
10 Payroll taxes	11,819,271	9,176,870	2,634,862	7,539
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	5,048,238	35,017	5,013,221	0
c Accounting	177,629	0	177,629	0
d Lobbying	112,843	0	112,843	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	1,026,932	0	1,026,932	0
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	82,387,821	65,828,410	16,559,411	0
12 Advertising and promotion	1,308,587	9,647	1,298,940	0
13 Office expenses	10,141,885	7,855,577	2,279,341	6,967
14 Information technology	14,273,362	10,884,797	3,388,565	0
15 Royalties	0	0	0	0
16 Occupancy	8,301,340	6,973,964	1,327,376	0
17 Travel	649,325	333,777	315,548	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	1,170,887	565,224	605,663	0
20 Interest	9,383,943	6,728,125	2,655,818	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	37,274,821	25,142,625	12,132,196	0
23 Insurance	2,731,933	2,292,144	439,789	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 <u>MEDICAL SUPPLIES</u>	97,663,541	97,663,541	0	0
b <u>PROVIDER TAX</u>	11,020,271	11,020,271	0	0
c <u>EQUIPMENT RENTAL</u>	7,686,953	7,179,339	507,614	0
d <u>HOSPITAL AUXILIARY</u>	811,139		811,139	0
e All other expenses	3,045,818	1,770,679	1,275,139	0
25 Total functional expenses. Add lines 1 through 24e	505,651,062	412,209,104	93,314,237	127,721
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	7,509	1	7,809
	2 Savings and temporary cash investments	2,851,773	2	16,721,100
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	137,012,344	4	103,000,347
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			
		368,784	5	308,932
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			
		0	6	0
	7 Notes and loans receivable, net	604,185	7	114,650
	8 Inventories for sale or use	13,046,064	8	15,366,821
	9 Prepaid expenses and deferred charges	7,901,363	9	7,927,550
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 614,915,019		
	b Less: accumulated depreciation	10b 308,034,571	10c	306,880,448
		278,949,540		
	11 Investments—publicly traded securities	419,983,475	11	455,106,445
	12 Investments—other securities. See Part IV, line 11	2,010,441	12	1,917,849
13 Investments—program-related. See Part IV, line 11	0	13	0	
14 Intangible assets	1,252,549	14	1,239,806	
15 Other assets. See Part IV, line 11	87,653,238	15	124,424,147	
16 Total assets. Add lines 1 through 15 (must equal line 34)	951,641,265	16	1,033,015,904	
Liabilities	17 Accounts payable and accrued expenses	53,038,335	17	54,373,543
	18 Grants payable	0	18	0
	19 Deferred revenue	0	19	0
	20 Tax-exempt bond liabilities	217,676,123	20	225,759,052
	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	73,827,799	25	77,966,216
26 Total liabilities. Add lines 17 through 25	344,542,257	26	358,098,811	
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	606,603,495	27	673,725,558
	28 Temporarily restricted net assets	495,513	28	1,191,535
	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	607,099,008	33	674,917,093
34 Total liabilities and net assets/fund balances	951,641,265	34	1,033,015,904	

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	585,961,186
2	Total expenses (must equal Part IX, column (A), line 25)	2	505,651,062
3	Revenue less expenses. Subtract line 2 from line 1	3	80,310,124
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	607,099,008
5	Net unrealized gains (losses) on investments	5	(4,362,271)
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	(8,129,768)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	674,917,093

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.	✓	

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(25) GERALD MOUREY ----- VP/INFO SYSTEMS	40.0 ----- 10.0			✓				338,368	0	73,562
(26) RODNEY SMITH ----- VP/ADMINISTRATOR PARTIAL YEAR	55.0 ----- 0.0			✓				0	0	0
(27) THOMAS HENTRICH ----- PHARMACIST	40.0 ----- 0.0					✓		199,377	0	38,980
(28) CHARLES BROOKS ----- STAFF NURSE	40.0 ----- 0.0					✓		199,577	0	36,433
(29) GERY BLACKBURN ----- TREASURY MANAGER	40.0 ----- 0.0					✓		188,604	0	19,934
(30) SUSAN ODLE ----- HOSPITAL ADMINISTRATOR	55.0 ----- 0.0					✓		188,711	0	9,924
(31) REBECCA BRASEL ----- REGISTERED NURSE SHIFT SUPERVISOR	40.0 ----- 0.0					✓		192,913	0	35,169

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

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

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 12, 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 An organization that normally receives: (1) more than 33¹/₃% 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 33¹/₃% 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.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 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 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - 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 1–10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2017. 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—2016. 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—2017. 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—2016. 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 10 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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2017. 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 <input type="checkbox"/>		
b 33 1/3% support tests—2016. 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 <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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? <i>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.</i>		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
3b	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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
3c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
4b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
4c	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)? <i>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.</i>		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
5b	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?		
5c	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? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
9b	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? <i>If "Yes," provide detail in Part VI.</i>		
9c	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? <i>If "Yes," provide detail in Part VI.</i>		
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)? <i>If "Yes," answer 10b below.</i>		
10b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

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?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>	11c	

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? <i>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.</i>	1	
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? <i>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.</i>	2	

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)? <i>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).</i>	1	

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?	1	
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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>	2	
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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>	3	

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <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.		Yes	No
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? <i>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.</i>	2a		
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? <i>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.</i>	2b		
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? <i>Provide details in Part VI.</i>	3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>	3b		

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

- 1** Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **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).			

Schedule A (Form 990 or 990-EZ) 2017

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 2017 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-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

Schedule of Contributors

2017

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

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
 - 501(c)(3) (enter number) organization
 - 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
 - 527 political organization
- Form 990-PF
 - 501(c)(3) exempt private foundation
 - 4947(a)(1) nonexempt charitable trust treated as a private foundation
 - 501(c)(3) taxable private foundation

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

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

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃% 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. Don't 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 isn't covered by the General Rule and/or the Special Rules doesn't 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 doesn't 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	----- ----- -----	\$ ----- 811,704	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ ----- 468,805	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ ----- 13,146	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ ----- 333,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	----- ----- -----	\$ ----- 28,441	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	----- ----- -----	\$ ----- 43,645	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 I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	----- ----- -----	\$ ----- 28,487	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	----- ----- -----	\$ ----- 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	----- ----- -----	\$ ----- 14,035	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	----- ----- -----	\$ ----- 12,355	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

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
-----	----- ----- -----	\$-----	-----

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

2017

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.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Open to Public Inspection

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
--	---

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. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions)

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(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?	✓		112,843
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?	✓		66,831
j Total. Add lines 1c through 1i			179,674
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 campaign activity 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 ILLINOIS HOSPITAL ASSOCIATION IS USED FOR LOBBYING BY THAT ASSOCIATION IN THE AMOUNT OF \$66,831.
SCHEDULE C, PART II-B, LINE 1G - DIRECT CONTACT WITH LEGISLATORS	THE ORGANIZATION HAS HIRED A PROFESSIONAL SERVICES FIRM TO CONDUCT LOBBYING ON BEHALF OF THE ORGANIZATION.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

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 include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor advisement.

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

Form for Part II with multiple questions (1-9) regarding conservation easements, including checkboxes for various purposes and a table for held easements at the end of the tax year.

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 for Part III with questions (1a, 1b, 2) regarding collections of art and historical treasures, including revenue and asset reporting requirements.

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

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	14,720,872		14,720,872
b Buildings	0	177,311,440	78,655,759	98,655,681
c Leasehold improvements	0	4,399,765	3,623,852	775,913
d Equipment	0	386,547,812	216,957,162	169,590,650
e Other	0	31,935,130	8,797,798	23,137,332
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				306,880,448

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	117,473,274
(2) STUDENT/TUITION LOANS RECEIVABLE	901,630
(3) OTHER CURRENT ASSETS	1,150,894
(4) EXECUTIVE BENEFIT PLAN	3,764,349
(5) INCENTIVE-BONUS RECEIVABLE PHO	1,134,000
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	124,424,147

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	21,183,482	
(3) INTEREST RATE SWAP CONTRACTS	10,766,045	
(4) MEDICAL PROFESSIONAL LIABILITY	1,971,357	
(5) ACCRUED BOND INTEREST	912,084	
(6) ASBESTOS LIABILITY	171,471	
(7) LONG TERM EXECUTIVE RETIREMENT PLAN	426,305	
(8) MISCELLANEOUS	100,472	
(9) SERIES 2017B TAXABLE BOND	42,435,000	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	77,966,216	

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

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>SIHE AND ITS AFFILIATED ORGANIZATIONS, WITH THE EXCEPTION OF THE CAPTIVE, HSSI AND PSC, ARE 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, 2018 AND 2017, NO TAX WAS DUE RELATED TO THESE OPERATIONS. THE CAPTIVE IS INCORPORATED UNDER THE LAWS OF THE CAYMAN ISLANDS, WHICH IMPOSES NO TAX ON INCOME OR CAPITAL GAINS. HOWEVER, THE CAPTIVE IS SUBJECT TO U.S. FEDERAL CORPORATE TAXATION TO THE EXTENT THAT IT GENERATES INCOME THAT IS EFFECTIVELY CONNECTED WITH A U.S. TRADE OR BUSINESS. THE CAPTIVE IS NOT ENGAGED IN ANY SUCH TRADE OR BUSINESS IN THE U.S. PSC IS A PASS-THROUGH ENTITY AND ITS MEMBERS SEPARATELY ACCOUNT FOR THEIR SHARE OF PSC'S NET INCOME OR LOSS WHICH IS ALLOCATED TO THE MEMBERS BASED ON THE OWNERSHIP PERCENTAGE. ACCORDINGLY, INCOME TAXES ARE NOT PROVIDED FOR IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS.</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, 2018 AND 2017. 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, 2018 AND 2017.</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, 2014 AND PRIOR.</p>

**SCHEDULE F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2017

Open to Public Inspection

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

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

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 the region	(d) Activities conducted in the region (by type) (such as, 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 the region	(f) Total expenditures for and investments in the region
(1) CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENTS		120,000
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	0	0			120,000
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			120,000

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 noncash assistance	(h) Description of noncash 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 noncash assistance	(g) Description of noncash 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; don't 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; don't 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 AMERICAN AND THE CARIBBEAN: ACCRUAL
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

2017

Open to Public Inspection

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
 ▶ **Attach to Form 990.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES	Employer identification number 37 0618939
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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 <i>free care</i> ? 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 <i>discounted care</i> ? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>600</u> %	✓	
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?	✓	

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			5,424,412	0	5,424,412	1.07
b Medicaid (from Worksheet 3, column a)			104,724,199	68,807,767	35,916,432	7.10
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	110,148,611	68,807,767	41,340,844	8.18
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			580,967	0	580,967	0.11
f Health professions education (from Worksheet 5)			3,217,019	657,892	2,559,127	0.51
g Subsidized health services (from Worksheet 6)			2,494,461	1,045,819	1,448,642	0.29
h Research (from Worksheet 7)			205,811	12,846	192,965	0.04
i Cash and in-kind contributions for community benefit (from Worksheet 8)			627,290	0	627,290	0.12
j Total Other Benefits	0	0	7,125,548	1,716,557	5,408,991	1.07
k Total Add lines 7d and 7j	0	0	117,274,159	70,524,324	46,749,835	9.25

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			262,222	0	262,222	0.05
7 Community health improvement advocacy			293,927	0	293,927	0.06
8 Workforce development					0	0.00
9 Other					0	0.00
10 Total	0	0	556,149	0	556,149	0.11

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		
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		
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	149,048,216
6 Enter Medicare allowable costs of care relating to payments on line 5	6	165,264,272
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	(16,216,056)
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	✓	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	✓	

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 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

	Yes	No
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 <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	✓	
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	✓	
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		✓
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 <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.SIH.NET/ABOUT/COMMUNITY-BENEFITS/</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	✓	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	✓	
a If "Yes," (list url): <u>WWW.SIH.NET/ABOUT/COMMUNITY-BENEFITS/</u>		
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)?		✓
12b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group 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>6 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	Was widely publicized 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"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
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 checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Billing and Collections

Name of hospital facility or letter of facility reporting group A

	Yes	No
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 nonpayment?	✓	
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"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
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"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <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"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations		
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)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group A

		Yes	No
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 a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
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?	23	✓
	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?	24	✓
	If "Yes," explain in 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>

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 CANCER INSTITUTE 1400 PIN OAK DRIVE CARTERVILLE, IL 62918	CANCER TREATMENT
2 PRAIRIE BUILDING 409 WEST OAK CARBONDALE, IL 62901	CARDIAC DIAGNOSTIC
3 ST JO LAB & IMAGING - ST JO 2601 WEST MAIN ST CARBONDALE, IL 62901	LAB & IMAGING SERVICES
4 LOGAN PARK RADIOLOGY & LAB 405 RUSHING DRIVE HERRIN, IL 62948	RADIOLOGY, LAB
5 PHYSICIAN SURGERY CENTER 2601 WEST MAIN CARBONDALE, IL 62901	SURGERY CENTER
6 PRIMARY CARE GROUP 117 EAST CLARK STREET HARRISBURG, IL 62946	LAB, IMAGING, WOUND CARE, PHYSICAL THERAPY
7 SLEEP CENTER 8305 EXPRESS DRIVE MARION, IL 62959	SLEEP STUDIES
8 BREAST CENTER 1237 EAST MAIN ST CARBONDALE, IL 62901	MAMMOGRAPHY
9 REHAB UNLIMITED - CARBONDALE 305 WEST JACKSON CARBONDALE, IL 62901	PHYSICAL THERAPY
10 WOMEN'S CENTER 3117 WILLIAMSON CO PARKWAY MARION, IL 62959	MAMMOGRAPHY

Schedule H (Form 990) 2017

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 REHAB UNLIMITED - MURPHYSBORO 6 EAST SHAWNEE DRIVE MURPHYSBORO, IL 62966	PHYSICAL THERAPY
2 MINERS MEMORIAL HEALTH CENTER 2553 KEN GRAY BLVD WEST FRANKFORT, IL 62896	FAMILY PRACTICE, RADIOLOGY, LAB AND SPECIALTY CLINICS
3 REHAB UNLIMITED - ANNA 515 EAST VIENNA ST ANNA, IL 62906	PHYSICAL THERAPY
4 REHAB UNLIMITED - LOGAN PARK 3308 LOGAN DRIVE HERRIN, IL 62948	PHYSICAL THERAPY
5 RUN - MARION 1403 JOE ABBOTT WAY MARION, IL 62959	PHYSICAL THERAPY
6 WOUND CARE 315 SOUTH 13TH ST HERRIN, IL 62948	WOUND CARE
7 RIC/SIH REHABILITATION SERVICES PO BOX 3988 CARBONDALE, IL 62901	REHABILITATION SERVICES
8 FRANKLIN MEDICAL ARTS 203 BAILEY LANE BENTON, IL 62812	LAB, IMAGING
9 RUN - LPC WF 502 W ST LOUIS ST WEST FRANKFORT, IL 62896	PHYSICAL THERAPY
10 MEDICAL ARTS CLINIC 19 EAST SHAWNEE DRIVE MURPHYSBORO, IL 62868	LAB SERVICES

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 OLDENHAGE-HUGHES 207 W JACKSON ST CARBONDALE, IL 62901	LAB SERVICES
2 RIC PHYSICIAN PRACTICES 3224 SOUTH PARK AVENUE HERRIN, IL 62948	REHABILITATION SERVICES
3 LPC-WF IMAGING & LAB 502 ST LOUIS STREET WEST FRANKFORT, IL 62896	RADIOLOGY
4 RUN - MCLEANSBORO 119 SOUTH JACKSON MCLEANSBORO, IL 62859	PHYSICAL THERAPY
5 PRAIRIE HEART MARION 3905 ERNESTINE DRIVE MARION, IL 62959	CARDIAC DIAGNOSTIC
6	
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 \$1,609,438
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 VARY 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 PROGRAM WAS UTILIZED FOR CALCULATING PORTIONS OF THE SUBSIDIZED HEALTH SERVICES. THE ORGANIZATION'S COST ACCOUNTING PROGRAM ENCOMPASSES ALL PATIENT TYPES, SERVICES, AND PAYORS. THE COST ASSOCIATED WITH A SERVICE ARE REVIEWED AND UPDATED ANNUALLY TO PROVIDE 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 PROGRAM , 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>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART II - DESCRIBE HOW BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY</p>	<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>THE JACKSON COUNTY HEALTHY COMMUNITY COALITION RAISES AWARENESS ABOUT HEALTH ISSUES RELEVANT TO JACKSON COUNTY, DEVELOPS PROJECTS THAT ADDRESS UNMET NEEDS OR GAPS IN HEALTH SERVICES, COORDINATES SERVICES AND COLLABORATIONS TO MAXIMIZE RESOURCES, DEVELOP PLANS AND REPORTS, ENCOURAGES ADVOCACY AND ASSISTS IN ACCESSING FUNDING. MEMBERSHIP INCLUDES PARTNERS FROM OVER 60 DIFFERENT JACKSON COUNTY ORGANIZATIONS.</p> <p>ACTION TEAMS HAVE BEEN DEVELOPED TO ADDRESS THE FOLLOWING:</p> <ul style="list-style-type: none"> -BEHAVIORAL HEALTH - WORKS TO PREVENT SUBSTANCE ABUSE, ENHANCE MENTAL HEALTH AND EMOTIONAL WELL-BEING OF THE COUNTY RESIDENTS -POSITIVE YOUTH DEVELOPMENT - TRAININGS, EDUCATION AND RELATED ACTIVITIES FOR COMMUNITY YOUTH. -SEXUAL ACTION TEAM - FOCUS ON DECREASING SEXUALLY TRANSMITTED DISEASES THROUGH EDUCATION, SCREENINGS AND PROTECTIVE BEHAVIORS -HEALTH LIVING ACTION TEAM - WORKS TO PREVENT CARDIOVASCULAR DISEASE BY TARGETING EATING BEHAVIORS, PHYSICAL ACTIVITY AND TOBACCO USE. -JOINT ACCESS TO CARE TEAM - FOCUSES ON IMPROVING ACCESS TO ALL HEALTH CARE SERVICES -CANCER ACTION TEAM - WORKS TO INCREASE SCREENING AND PUBLIC EDUCATION -BUILT ENVIRONMENT TEAM - WORKS TO IMPROVE THE ENVIRONMENT FOR PEDESTRIANS AND BICYCLISTS. <p>THE FRANKLIN/WILLIAMSON COUNTIES HEALTHY COMMUNITIES COALITION SUPPORTS THE COLLECTION, TRACKING AND REPORTING OF RELEVANT COUNTY HEALTH DATA, DEVELOPS PROJECTS TO ADDRESS IDENTIFIED HEALTH PRIORITIES, DEVELOPS PLANS AND REPORTS, FOSTERS COLLABORATION AND ENCOURAGES ADVOCACY. MEMBERSHIP INCLUDES PARTNERS FROM OVER 50 DIFFERENT FRANKLIN/WILLIAMSON COUNTY ORGANIZATIONS.</p> <p>ACTION TEAMS HAVE BEEN DEVELOPED TO ADDRESS THE FOLLOWING:</p> <ul style="list-style-type: none"> -HEALTHY SENIORS ACTION TEAM - PROVIDES ACTIVITIES WHICH PROMOTE THE HEALTH AND WELL-BEING OF INDIVIDUALS AGE 55 AND OLDER -HEALTH LIFESTYLES TEAM - WORKS TO ENCOURAGE DAILY EXERCISE, RECEIVING REGULAR HEALTH RISK FACTOR SCREENINGS AND EATING DAILY NUTRITIOUS MEALS. -JOINT ACCESS TO CARE TEAM - FOCUSES ON IMPROVING ACCESS TO ALL HEALTH CARE SERVICES. <p>AS PART OF THE ABOVE COALITIONS, SOUTHERN ILLINOIS HEALTHCARE PROVIDED FUNDING TO 5 LOCAL HEALTH DEPARTMENTS FOR THEIR WORK TO PROVIDE A REGIONAL CHRONIC DISEASE/DIABETES SELF MANAGEMENT PROGRAM. ACCOMPLISHMENTS OF THIS INITIATIVE INCLUDE TRAINING OVER 75 CERTIFIED LEADERS IN THESE PROGRAMS, CONDUCTING CLASSES FOR OVER 450 INDIVIDUALS, AND CONDUCTED SCREENING EVENTS TO PROMOTE EARLY DETECTION OF DIABETES AND HYPERTENSION.</p> <p>OTHER INITIATIVES OF OUR HEALTH COMMUNITIES INCLUDE THE FOLLOWING:</p> <ul style="list-style-type: none"> -PROVIDE FUNDING OF THE MEDICAL LEGAL PARTNERSHIP OF SOUTHERN ILLINOIS WHICH OFFERS INDIVIDUALS AND FAMILIES LEGAL HELP TO IMPROVE THEIR HEALTH. THE COLLABORATIVE EFFORT OF SOUTHERN ILLINOIS HEALTHCARE AND LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION ASSISTS PATIENTS IN IMPROVING THEIR HEALTH BY ALLEVIATING THE LEGAL STRESSORS IN THEIR LIVES. DURING THE CURRENT YEAR 579 LOW-INCOME PATIENTS WERE ASSISTED THROUGH THIS INITIATIVE. -DENTAL CARE IS AN AREA IDENTIFIED AS AN ACCESS TO CARE ISSUE IN OUR COMMUNITY HEALTH NEEDS ASSESSMENT. SOUTHERN ILLINOIS HEALTHCARE HAS PARTNERED WITH 2 LOCAL FEDERALLY QUALIFIED HEALTH CENTERS TO ADDRESS THE ISSUE OF DENTAL COVERAGE. FUNDING WAS PROVIDED TO THESE CENTERS TO PROVIDE 3,122 DENTAL ENCOUNTERS DURING THIS FISCAL YEAR. -SIH PROVIDES FUNDING TO THE ILLINOIS POISON CENTER. THE ILLINOIS POISON CENTER IS A NON-PROFIT HEALTH SERVICE THAT PROVIDES COMPREHENSIVE AND TRUSTED INFORMATION AND TREATMENT ADVICE ON POTENTIALLY HARMFUL SUBSTANCES VIA A FREE, CONFIDENTIAL 24 HOUR HELPLINE. INFORMATION MATERIALS ARE PROVIDED TO SCHOOLS AND COMMUNITY GROUPS TO SPREAD PREVENTION AND POISON AWARENESS MESSAGES. <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 16 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 FY18, SIH STAFF WORKED WITH 32 SCHOOLS, IMPACTING OVER 9,800 CHILDREN, IN THE 5 COUNTY SERVICE AREA. SIH ALSO IMPACTED OVER 4,600 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 49 SCHOOL FOOD SERVICE WORKERS AND 45 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 MODEL FOR COORDINATED SCHOOL HEALTH.</p>

Return Reference - Identifier	Explanation
	<p>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. PROGRAM PARTNERS HAVE IMPLEMENTED COMPONENTS OF THE CATCH PROGRAM IN OVER 80 ELEMENTARY SCHOOL DISTRICTS IN 15 COUNTIES IMPACTING OVER 20,000 STUDENTS AND THEIR FAMILIES.</p> <p>SCHOOL BASED FITNESS ASSESSMENT AND TRAINING FOR PHYSICAL EDUCATION TEACHERS - SOUTHERN ILLINOIS HEALTHCARE PROMOTES LIFELONG FITNESS BY SUPPORTING QUALITY PHYSICAL EDUCATION IS SOUTHERN ILLINOIS SCHOOLS AND ASSISTING CHILDREN TO MEET THE SURGEON GENERAL'S RECOMMENDATION FOR 60 MINUTES OF DAILY PHYSICAL ACTIVITY.</p> <p>SUPPORT FOR THIS IS PROVIDED THROUGH:</p> <ul style="list-style-type: none"> -AWARDING STIPENDS FOR PHYSICAL EDUCATION TEACHERS TO ATTEND TRAINING WORKSHOPS -HOSTING ANNUAL PHYSICAL EDUCATION WORKSHOPS THAT HIGHLIGHT NATIONAL PHYSICAL EDUCATION STANDARDS -HOSTING NETWORKING SESSIONS THROUGHOUT THE YEAR FOR PHYSICAL EDUCATION TEACHERS -COMPLETING SYSTEM FOR OBSERVING FITNESS INSTRUCTION TIME EVALUATIONS IN PARTICIPATING SCHOOLS. <p>-</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.

Return Reference - Identifier	Explanation
<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 19:</p> <p>PROVISION FOR BAD DEBT - 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 CO-PAYMENTS 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 COMMUNITY BENEFIT AND COSTING METHOD USED</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 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>
<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>	<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.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<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/.</p> <p>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 THROUGH THE FOLLOWING ACTIVITIES:</p> <p>-MONITORING THE DATA AND MEETING WITH COMMUNITY COALITIONS AND OTHERS TO LEARN ABOUT VARIOUS PROGRAMS AND NEEDS IN THE COMMUNITIES.</p> <p>-WORK WITH HEALTHY SOUTHERN ILLINOIS DELTA NETWORK AND OTHERS SUCH AS LOCAL HEALTH DEPARTMENTS AND FEDERALLY QUALIFIED HEALTH CENTERS TO ASSESS NEEDS ON AN ONGOING BASIS.</p> <p>-CONDUCT PHYSICIAN "MEET AND GREETINGS" TO DISCUSS THE NEEDS AND ISSUES THE PHYSICIANS AND THEIR STAFF ARE SEEING IN THEIR PRACTICES.</p>
<p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p>	<p>SIH TAKES THE FOLLOWING STEPS TO NOTIFY PATIENTS ABOUT THE AVAILABILITY OF THE HEALTHCARE ASSISTANCE POLICY ("HAP"):</p> <p>-FINANCIAL ASSISTANCE NOTICES ARE PLACED IN ALL DEPARTMENTS REGISTERING PATIENTS.</p> <p>-SIH POSTS SIGNAGE IN ENGLISH AND SPANISH REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE.</p> <p>-SIH'S WEBSITE POSTS NOTICE OF FINANCIAL ASSISTANCE THROUGH THE HEALTHCARE ASSISTANCE PROGRAM AND APPLICATIONS IN ENGLISH, ARABIC AND SPANISH.</p> <p>-INFORMATION REGARDING HAP IS AVAILABLE IN ALL PATIENT INTAKE OFFICES AND IN OTHER PUBLIC LOCATIONS WITHIN THE HOSPITAL, (UPON REQUEST WITHOUT CHARGE).</p> <p>-REGISTRARS INFORM ALL PATIENTS OF THE HEALTHCARE ASSISTANCE PROGRAM, AND OFFERS A PLAIN LANGUAGE SUMMARY.</p>
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<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.</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>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<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: 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 AN 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 30,000 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 FY17, 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>

Return Reference - Identifier	Explanation
SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP	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 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

Name of the organization

**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.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

37-0618939

SOUTHERN ILLINOIS HOSPITAL SERVICES

Part I General Information on Grants and Assistance

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

Part II Grants and Other Assistance to 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 noncash assistance	(h) Purpose of grant or assistance
(1) (SEE STATEMENT)	37-0958448	501(C)(3)	100,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(2) SOUTHERN ILLINOIS UNIVERSITY 1235 DOUGLAS DRIVE, CARBONDALE, IL 62901	37-6005961		9,135	0	N/A	N/A	GENERAL PROGRAM FUNDING
(3) SIU FOUNDATION PO BOX 19666, SPRINGFIELD, IL 62794	37-6024575	501(C)(3)	13,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(4) (SEE STATEMENT)	37-2167088	501(C)(3)	26,497	0	N/A	N/A	GENERAL PROGRAM FUNDING
(5) HERRIIN CHAMBER OF COMMERCE 3 SOUTH PARK AVE, SUITE A, HERRIN, IL 62948	37-0618499	501(C)(6)	18,500	0	N/A	N/A	GENERAL PROGRAM FUNDING
(6) JACKSON COUNTY HEALTH DEPARTMENT 415 HEALTH DEPT ROAD, MURPHYSBORO, IL 62956	37-6001092		15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(7) SOUTHERN SEVEN HEALTH DEPT 260 LICK CRICK ROAD, ANNA, IL 62906	37-1069423		15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(8) EGYPTIAN HEALTH DEPARTMENT 1412 US 45 NORTH, ELDORADO, IL 62930	37-6006931		15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(9) (SEE STATEMENT)	37-6001795		15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(10) RANDOLPH COUNTY HEALTH DEPARTMENT 2515 STATE STREET, CHESTER, IL 62233	37-6001873		15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(11) (SEE STATEMENT)	37-0966854	501(C)(3)	50,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(12) (SEE STATEMENT)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 15

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) (2017)

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) CARBONDALE PARK DISTRICT 1115 WEST SYCAMORE ST, CARBONDALE, IL 62903	37-6001080		6,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(13) THE ARTHRITIS FOUNDATION 1355 PEACHTREE ST NE, SUITE 600, ATLANTA, GA 30309	58-1341679	501(C)(3)	10,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(14) AMERICAN CANCER SOCIETY 3870 PAYSHERE CIRCLE, CHICAGO, IL 60674	13-1788491	501(C)(3)	20,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(15) AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVENUE, DALLAS, TX 75231	13-5613797	501(C)(3)	15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
(16) JOHN A LOGAN COMMUNITY COLLEGE 700 LOGAN COLLEGE ROAD, CARTERVILLE, IL 62918	37-0905504		5,300	0	N/A	N/A	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 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 I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	LAND OF LINCOLN LEGAL ASST FOUNDATION 509 S UNIVERSITY AVE, 3RD FLOOR, CARBONDALE, IL 62901
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	ILLINOIS POISON CENTER 222 S RIVERSIDE PLAZA, SUITE 1900, CHICAGO, IL 60606
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	PERRY COUNTY HEALTH DEPARTMENT PO BOX 49, 907 WEST MAIN STREET, PINCKNEYVILLE, IL 62274
SCHEDULE I, PART II, COLUMN A - NAME AND ADDRESS OF ORGANIZATION OR GOVERNMENT	SHAWNEE HEALTH PO BOX 577, 109 CALIFORNIA STREET, CARTERVILLE, IL 62918

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Employer identification number

37-0618939

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed 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"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, 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 on 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 type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <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? | 4a | ✓ | |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | ✓ | |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | | ✓ |

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? | 5a | | ✓ |
| b Any related organization? | 5b | | ✓ |

If "Yes" on 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? | 6a | | ✓ |
| b Any related organization? | 6b | | ✓ |

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 nonfixed 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" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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

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 aren't 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				
1 REX BUDDÉ PRESIDENT/CEO	(i)	657,715	73,796	216,773	255,672	19,233	1,223,189	199,858
	(ii)	0	0	0	0	0	0	0
2 MIKE KASSER SR VP/CFO/TREASURER	(i)	391,579	52,337	106,522	113,209	33,944	697,591	91,259
	(ii)	0	0	0	0	0	0	0
3 WILLIAM SHERWOOD VP/ GENERAL COUNSEL	(i)	286,575	44,153	136,965	11,546	37,077	516,316	119,056
	(ii)	0	0	0	0	0	0	0
4 JULIE FIRMAN VP/CNO	(i)	243,630	40,294	74,017	74,639	18,381	450,961	61,030
	(ii)	0	0	0	0	0	0	0
5 PHILIP SCHAEFER SR VP/ ADMINISTRATOR/CCNDO	(i)	339,190	48,690	110,682	115,852	31,597	646,011	96,342
	(ii)	0	0	0	0	0	0	0
6 PAM HENDERSON VP/ HR	(i)	239,417	39,767	72,413	71,942	8,233	431,772	60,618
	(ii)	0	0	0	0	0	0	0
7 JOHN B MILLSTEAD SR VP/COO	(i)	423,170	55,490	129,903	144,073	37,944	790,580	116,908
	(ii)	0	0	0	0	0	0	0
8 WILLIAM THORNE VP/ COMMUNITY BENEFITS	(i)	203,212	37,210	57,199	56,503	35,837	389,961	44,615
	(ii)	0	0	0	0	0	0	0
9 TERENCE FARRELL VP/ ADMINISTRATOR PARTIAL YEAR	(i)	222,415	47,526	244,487	105,472	34,777	654,677	93,974
	(ii)	0	0	0	0	0	0	0
10 SHELLY PIERCE VP/QUALITY	(i)	224,762	38,528	42,942	42,060	14,689	362,981	31,244
	(ii)	0	0	0	0	0	0	0
11 DANIEL SKILES VP HEALTH	(i)	237,801	40,576	25,011	22,708	36,177	362,273	0
	(ii)	0	0	0	0	0	0	0
12 MARCI L MOORE-CONNELLEY, MD SR VP/CMO	(i)	395,712	52,398	44,439	51,095	14,812	558,456	33,082
	(ii)	0	0	0	0	0	0	0
13 GERALD MOUREY VP/INFO SYSTEMS	(i)	278,856	43,356	16,156	38,254	35,308	411,930	2,331
	(ii)	0	0	0	0	0	0	0
14 THOMAS HENTRICH PHARMACIST	(i)	182,775	1,258	15,344	5,757	33,223	238,357	0
	(ii)	0	0	0	0	0	0	0
15 CHARLES BROOKS STAFF NURSE	(i)	184,002	1,258	14,317	3,632	32,801	236,010	0
	(ii)	0	0	0	0	0	0	0
16 (SEE STATEMENT)	(i)							
	(ii)							

Part II

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

(a) Name		(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(16) GERY BLACKBURN TREASURY MANAGER	(i)	186,103	1,258	1,243	7,387	12,547	208,538	0
	(ii)	0	0	0	0	0	0	0
(17) SUSAN ODLE HOSPITAL ADMINISTRATOR	(i)	171,306	15,555	1,850	6,813	3,111	198,635	0
	(ii)	0	0	0	0	0	0	0
(18) REBECCA BRASEL REGISTERED NURSE SHIFT SUPERVISOR	(i)	181,970	1,258	9,685	3,652	31,517	228,082	0
	(ii)	0	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	TERENCE FARRELL, VP/HOSPITAL ADMINISTRATOR, RECEIVED SEVERANCE PAYMENTS OF \$102,682.
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 BUDE - \$199,858 PAYMENT, \$246,360 DEFERRED COMPENSATION</p> <p>PAM HENDERSON - \$60,618 PAYMENT, \$62,506 DEFERRED COMPENSATION</p> <p>MIKE KASSER - \$91,259 PAYMENT, \$102,424 DEFERRED COMPENSATION</p> <p>BART MILLSTEAD - \$116,907 PAYMENT, \$132,501 DEFERRED COMPENSATION</p> <p>PHIL SCHAEFER - \$96,342 PAYMENT; 105,536 DEFERRED COMPENSATION</p> <p>BILL SHERWOOD - \$119,056 PAYMENT, NO DEFERRED COMPENSATION</p> <p>JULIE FIRMAN - \$61,030 PAYMENT, \$66,919 DEFERRED COMPENSATION</p> <p>WILLIAM THORNE - \$44,615 PAYMENT. \$48,290 DEFERRED COMPENSATION</p> <p>TERENCE FARRELL - \$93,974 PAYMENT, \$97,005 DEFERRED COMPENSATION</p> <p>SHELLY PIERCE - \$31,244 PAYMENT, \$34,141 DEFERRED COMPENSATION</p> <p>DAN SKILES - NO PAYMENT, \$13,350 DEFERRED COMPENSATION</p> <p>MARCI MOORE-CONNELLY - \$33,082 PAYMENT, \$40,678 DEFERRED COMPENSATION</p> <p>GERALD MOUREY - \$2,331 PAYMENT, \$27,529 DEFERRED COMPENSATION</p> <p>CERTAIN EXECUTIVES PARTICIPATE IN A SPLIT-DOLLAR LIFE INSURANCE PLAN. PREMIUMS PAID ON BEHALF OF THE EXECUTIVES ARE TREATED AS LOANS. LISTED BELOW ARE THE EXECUTIVES WHO PARTICIPATE IN THE PLAN AND THE OUTSTANDING LOAN BALANCE AS OF 3/31/18:</p> <p>REX BUDE - \$137,803</p> <p>MIKE KASSER - \$75,954</p> <p>PHILLIP SCHAEFER - \$95,174</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.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	ILLINOIS FINANCE AUTHORITY	86-1091967	000000000	10/27/2011	14,420,000	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
B	ILLINOIS FINANCE AUTHORITY	86-1091967	000000000	07/01/2014	127,215,000	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
C	ILLINOIS FINANCE AUTHORITY	86-1091967	45204ESL3	02/16/2017	36,355,638	SEE SUPPLEMENTAL INFORMATION		✓		✓		✓
D	ILLINOIS FINANCE AUTHORITY	86-1091967	45204EZB7	09/12/2017	76,037,298	REFUNDED 2010 BOND ISSUE		✓		✓		✓

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	12,105,000		9,115,000		0		295,000	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	14,443,335		127,632,149		35,185,412		76,037,298	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	282,518		979,638		587,619		927,485	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	0		75,000,000		16,348,260		0	
11	Other spent proceeds	14,137,482		51,235,362		0		75,109,813	
12	Other unspent proceeds	0		0		18,224,121		0	
13	Year of substantial completion	2011		2015		2016		2017	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	✓		✓			✓	✓	
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?		✓		✓		✓		✓

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 %		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 %		0.00 %
6 Total of lines 4 and 5		0.00 %		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	10/27/2016							
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?								

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. 2017 BOND ISSUE - FINANCE CAPITAL EXPENDITURES
SCHEDULE K, PART IV, LINE 2C - COLUMN A	ISSUER NAME: ILLINOIS FINANCE AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 10/27/2016
SCHEDULE K, PART V - DIFFERENT PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ISSUER NAME: ILLINOIS FINANCE AUTHORITY NO DIFFERENCES FOR REPORTED BOND ISSUES
SCHEDULE K, PART V - DIFFERENT PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ISSUER NAME: ILLINOIS FINANCE AUTHORITY NO DIFFERENCE FOR REPORTED BOND ISSUES
SCHEDULE K, PART V - DIFFERENT PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ISSUER NAME: ILLINOIS FINANCE AUTHORITY NO DIFFERENCES FOR REPORTED BOND ISSUES
SCHEDULE K, PART V - DIFFERENT PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ISSUER NAME: ILLINOIS FINANCE AUTHORITY N/A

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

Transactions With Interested Persons

OMB No. 1545-0047

2017

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.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

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 ▶						\$	308,932					

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) REX BUDE	OFFICER	SPLIT DOLLAR LIFE INSURANCE TREATED AS A LOAN		✓	137,803	137,803		✓	✓		✓	
(11) MIKE KASSER	OFFICER	SPLIT DOLLAR LIFE INSURANCE TREATED AS A LOAN		✓	75,955	75,955		✓	✓		✓	
(12) PHILLIP SCHAEFER	OFFICER	SPLIT DOLLAR LIFE INSURANCE TREATED AS A LOAN		✓	95,174	95,174		✓	✓		✓	

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	\$98,138	EMPLOYEE COMPENSATION		✓
(2) DAVID FISCHER	SON-IN-LAW OF VP/CFO MIKE KASSER	\$43,121	EMPLOYEE COMPENSATION		✓
(3) DANIEL SHERWOOD	SON OF VP WILLIAM SHERWOOD	\$13,907	EMPLOYEE COMPENSATION		✓
(4) AMANDA FARRELL	DAUGHTER-IN-LAW OF VP/ADMINISTRATOR TERENCE FARRELL	\$69,676	EMPLOYEE COMPENSATION		✓
(5) JESSICA SHERWOOD	DAUGHTER-IN-LAW OF VP BILL SHERWOOD	\$33,656	EMPLOYEE COMPENSATION		✓

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

Department of Treasury Internal
Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

- ▶ Attach to Form 990 or 990-EZ.
- ▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

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 3,800 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. 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, 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 71,361 ADULT AND CHILD PATIENT DAYS AND 2,568 NEWBORN PATIENT DAYS. OUTPATIENT REGISTRATIONS TOTALED 367,982 WITH 72,788 OF THESE REGISTRATIONS BEING EMERGENCY ROOM VISITS. APPROXIMATELY 65.8% OF THESE DAYS AND REGISTRATIONS PROVIDED CARE THAT WAS CLASSIFIED AS EITHER UNCOMPENSATED CHARITY CARE OR UNCOMPENSATED GOVERNMENT HEALTH CARE. AN ADDITIONAL 1.12% 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
<p>FORM 990, PART III, LINE 4B - COMMUNITY BENEFITS</p>	<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 -</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. HEALTH MINISTRY INCLUDES OVER 80 CHURCHES IN 9 COUNTIES. REGULARLY SCHEDULED ACTIVITIES INCLUDE HEALTH EDUCATION, HEALTH SCREENINGS, SUPPORT GROUPS AND EXERCISE PROGRAMS. OVER 140 REGISTERED NURSES HAVE COMPLETED THE PARISH NURSE BASIC PREP COURSE. IN FY18 THE CONGREGATIONAL HEALTH CONNECTOR TRAINING PROGRAM IN WHICH 19 INDIVIDUALS WERE TRAINED AS CONGREGATION HEALTH CONNECTORS. THESE INDIVIDUALS ARE EDUCATED ON VARIOUS HEALTH TOPICS AND PASS INFORMATION AND RESOURCES TO THEIR CONGREGATIONS. IN FY18 OVER 19,000 CONTACTS WERE MADE BY FAITH COMMUNITY/PARISH NURSES. THESE CONTACTS WERE MADE IN THE FORM OF HOME VISITS, CHURCH, HOSPITAL, NURSING HOME VISITS AND TELEPHONE CALLS. SERVICES AND RESOURCES PROVIDED INCLUDED TRANSPORTATION, MEALS, GERIATRIC AND CAREGIVER SUPPORT, REFERRAL TO HEALTHCARE PROVIDERS AND COMMUNITY BASED AGENCIES AND OTHER SERVICES. ANNUALLY, IN COLLABORATION WITH HOSPICE OF SOUTHERN ILLINOIS AND JOHN A LOGAN COLLEGE THE "LIVING WITH GRIEF" SERIES IS SPONSORED AND ATTENDED BY OVER 50 PROFESSIONALS.</p> <p>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 AND IMPROVE ACCESS TO SERVICES WITHIN THE COMMUNITIES SERVED BY SIHS. HIGH IMPACT SCREENING OPPORTUNITIES TO PROMOTE EARLY DETECTION OF DISEASE (SPECIFICALLY DIABETES AND HYPERTENSION) AND A REGIONAL DISEASE/DIABETES SELF-MANAGEMENT PROGRAM ARE IN VARIOUS STAGES OF DEVELOPMENT/EXECUTION.</p> <p>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</p> <p>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.</p> <p>MEDICAL LEGAL PARTNERSHIP SI -- AN INNOVATIVE PROGRAM THAT PROVIDES LEGAL ASSISTANCE TO LOW-INCOME AND UNDER INSURED 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.</p> <p>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.</p> <p>DIABETES SELF MANAGEMENT PROGRAM - PROVIDED GRANTS TO LOCAL HEALTH DEPARTMENTS FOR ESTABLISHMENT OF DIABETES RESOURCE TEAMS</p> <p>ILLINOIS POISON CENTER - PROVIDED FUNDING TO THIS NON-PROFIT HEALTH SERVICES THAT PROVIDES FREE INFORMATION AND TREATMENT ADVICE</p> <p>OPIOID USE DISORDER -HELD AND CO-SPONSORED NUMEROUS REGIONAL SUMMITS, MEETINGS AND CONFERENCES THAT ADDRESSED THIS ISSUE OF SUBSTANCE ABUSE</p> <p>-</p> <p>.</p>

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FORM 990, PART III, LINE 4C - SCHOOL BASED HEALTH SERVICES	<p>(CONTINUED FROM PART III) SOUTHERN ILLINOIS HEALTHCARE 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.</p> <p>THE FOLLOWING IS A SUMMARY OF THE SCHOOL HEALTH PROGRAMS DURING THIS REPORTING YEAR:</p> <p>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. DURING FY18, SIH STAFF WORKED WITH 32 SCHOOLS, IMPACTING OVER 9,800 CHILDREN, IN THE 5 COUNTY SERVICE AREA. SIH ALSO IMPACTED OVER 4,600 STUDENTS/FAMILIES THROUGH VARIOUS ACTIVITIES.</p> <p>THIS CONSORTIUM ALSO WORKED WITH SCHOOLS TO PROMOTE AND ASSIST IN THE IMPLEMENTATION OF COORDINATED SCHOOL HEALTH PROGRAMMING BY PROVIDING TRAINING AND TECHNICAL SUPPORT. 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 OVER 80 ELEMENTARY SCHOOL DISTRICTS IN THE 16 COUNTIES IN THE SOUTHERN ILLINOIS REGION. THIS PROGRAM IMPACTS OVER 20,000 STUDENTS AND THEIR FAMILIES. SIH STAFF CONDUCTED TRAINING FOR 49 SCHOOL FOOD SERVICE WORKERS DURING THE YEAR.</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. SIH STAFF CONDUCTED TRAINING FOR 45 PE TEACHERS THIS YEAR.</p> <p>OTHER SIH INITIATIVES TO SUPPORT THE HEALTH CARE NEEDS OF OUR COMMUNITIES INCLUDE: THE FUNDING OF THE PATIENT CARE INITIATIVE WHICH PROVIDES FUNDING TO OTHER HEALTH CARE PROVIDERS TO SUPPLEMENT IN THE CARE OF INDIGENT PATIENTS. THE FUNDING OF THE INDIGENT FUND WHICH PROVIDES MONETARY SUPPORT TO INDIGENT PATIENTS FOR TRAVEL, PRESCRIPTIONS AND OTHER EXPENSES.</p>
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.</p> <p>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>

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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>
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 2017.</p>

Return Reference - Identifier	Explanation																																																							
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 2017</p>																																																							
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	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.																																																							
FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES	<table border="1"> <thead> <tr> <th data-bbox="467 663 751 730">(a) Description</th> <th data-bbox="760 663 943 730">(b) Total Expenses</th> <th data-bbox="951 663 1135 730">(c) Program Service Expenses</th> <th data-bbox="1143 663 1326 730">(d) Management and General Expenses</th> <th data-bbox="1334 663 1513 730">(e) Fundraising Expenses</th> </tr> </thead> <tbody> <tr> <td>CONSULTING FEES</td> <td>12,388,864</td> <td>7,785,138</td> <td>4,603,726</td> <td>0</td> </tr> <tr> <td>CREDIT & COLLECTION FEES</td> <td>1,023,178</td> <td>39,349</td> <td>983,829</td> <td>0</td> </tr> <tr> <td>CLINICAL SERVICE FEES</td> <td>6,803,197</td> <td>6,803,197</td> <td>0</td> <td>0</td> </tr> <tr> <td>ENGINEERING FEES</td> <td>140,241</td> <td>139,701</td> <td>540</td> <td>0</td> </tr> <tr> <td>ARCHITECT FEES</td> <td>29,194</td> <td>15,809</td> <td>13,385</td> <td>0</td> </tr> <tr> <td>RECRUITMENT FEES</td> <td>227,031</td> <td>5,686</td> <td>221,345</td> <td>0</td> </tr> <tr> <td>OTHER PROFESSIONAL FEES</td> <td>7,166,705</td> <td>3,542,944</td> <td>3,623,761</td> <td>0</td> </tr> <tr> <td>AGENCY STAFFING</td> <td>5,979,482</td> <td>5,646,351</td> <td>333,131</td> <td>0</td> </tr> <tr> <td>PHYSICIAN SERVICES</td> <td>36,969,984</td> <td>36,707,612</td> <td>262,372</td> <td>0</td> </tr> <tr> <td>PURCHASED SERVICES</td> <td>11,659,945</td> <td>5,142,623</td> <td>6,517,322</td> <td>0</td> </tr> </tbody> </table>	(a) Description	(b) Total Expenses	(c) Program Service Expenses	(d) Management and General Expenses	(e) Fundraising Expenses	CONSULTING FEES	12,388,864	7,785,138	4,603,726	0	CREDIT & COLLECTION FEES	1,023,178	39,349	983,829	0	CLINICAL SERVICE FEES	6,803,197	6,803,197	0	0	ENGINEERING FEES	140,241	139,701	540	0	ARCHITECT FEES	29,194	15,809	13,385	0	RECRUITMENT FEES	227,031	5,686	221,345	0	OTHER PROFESSIONAL FEES	7,166,705	3,542,944	3,623,761	0	AGENCY STAFFING	5,979,482	5,646,351	333,131	0	PHYSICIAN SERVICES	36,969,984	36,707,612	262,372	0	PURCHASED SERVICES	11,659,945	5,142,623	6,517,322	0
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FORM 990, PART X, LINE 20 - TAX EXEMPT BOND LIABILITIES	THE SERIES 2017A NON-TAXABLE BOND IS SPLIT BETWEEN SOUTHERN ILLINOIS HOSPITAL SERVICES AND SOUTHERN ILLINOIS MEDICAL SERVICES, A RELATED TAX EXEMPT ENTITY. THE AMOUNT LISTED ON LINE 25 REPRESENTS THE PIECE OF THE BOND THAT SOUTHERN ILLINOIS HOSPITAL SERVICES HOLDS.																																																							
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1"> <thead> <tr> <th data-bbox="467 1234 1300 1262">(a) Description</th> <th data-bbox="1308 1234 1513 1262">(b) Amount</th> </tr> </thead> <tbody> <tr> <td>EQUITY TRANSFERS</td> <td>- 2,153,416</td> </tr> <tr> <td>CHANGE IN FAIR VALUE OF INTERESET RATE SWAP</td> <td>1,065,057</td> </tr> <tr> <td>GAIN/LOSS ON DERIVATIVE</td> <td>1,453,106</td> </tr> <tr> <td>LOSS ON EARLY DEBT RETIREMENT</td> <td>- 8,494,515</td> </tr> </tbody> </table>	(a) Description	(b) Amount	EQUITY TRANSFERS	- 2,153,416	CHANGE IN FAIR VALUE OF INTERESET RATE SWAP	1,065,057	GAIN/LOSS ON DERIVATIVE	1,453,106	LOSS ON EARLY DEBT RETIREMENT	- 8,494,515																																													
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FORM 990, PART XII, LINE 3A - REQUIREMENTS UNDER SINGLE AUDIT ACT AND OMB CIRCULAR A-133	AS REQUIRED BY THE U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS, IN 2018 SOUTHERN ILLINOIS HEALTHCARE SERVICES AND AFFILIATES RECEIVED AN AUDIT FOR THE 2018 CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT.																																																							

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

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	2,001,749	1,171,172	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)	12 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) SIH FOUNDATION, NFP (27-1933790) 1239 EAST MAIN STREET, CARBONDALE, IL 62901	FUNDRAISING	IL	501(C)(3)	12 TYPE I	SOUTHERN ILLINOIS HOSPITAL SERVICES	✓	
(4)							
(5)							
(6)							
(7)							

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.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	✓	
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)		✓

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SOUTHERN ILLINOIS MEDICAL SERVICES	A	528,616	FMV
(2) SOUTHERN ILLINOIS MEDICAL SERVICES	R	2,153,416	FMV
(3) SOUTHERN ILLINOIS MEDICAL SERVICES	J	1,111,811	FMV
(4) SIH FOUNDATION	C	811,704	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 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) RIC AND SIHS REHABILITATION SERVICES, LLC (36-4566925) PO BOX 3988, CARBONDALE, IL 62902	MEDICAL SERVICES	IL	SIHS	RELATED	5,615,120	999		✓			✓	99.90
(2) PHYSICIANS' SURGERY CENTER LLC (26-0425547) 2601 WEST MAIN STREET, CARBONDALE, IL 62901	MEDICAL SERVICES	IL	SIHS	RELATED	(353,348)	1,001,871		✓			✓	59.46

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	6,190,490	41,509,442	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 Healthcare Enterprises, Inc.

Consolidated Financial Report
with Supplementary Information
March 31, 2018 and 2017

Contents

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Combining statements of operations - Southern Illinois Hospital Services	45-46



RSM US LLP

Independent Auditor's Report

Board of Trustees
Southern Illinois Healthcare Enterprises, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southern Illinois Healthcare Enterprises, Inc. (Corporation) and its wholly-owned and majority-owned subsidiaries and wholly-controlled affiliate, which comprise the consolidated balance sheets as of March 31, 2018 and 2017, 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, whose statements reflect total assets constituting 4 percent of consolidated total assets at March 31, 2018 and 2017, 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 Healthcare Enterprises, Inc. and its wholly-owned and majority-owned subsidiaries and wholly-controlled affiliate as of March 31, 2018 and 2017, 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 and combining 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 and combining 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 26, 2018

Southern Illinois Healthcare Enterprises, Inc.

Consolidated Balance Sheets
March 31, 2018 and 2017
(In Thousands)

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,479	\$ 4,812
Assets whose use is limited by trust agreement	5,327	209
Patient accounts receivable, net	118,757	153,047
Supplies	15,678	13,352
Prepaid expenses	9,410	9,388
Current portion of notes receivable	20	564
Other	3,770	2,337
Total current assets	171,441	183,709
Assets whose use is limited by:		
Board designation for capital improvements	457,535	408,725
Board designation for self-insurance	35,142	35,092
Trust agreement - project funds	14,904	35,797
	507,581	479,614
Property and equipment, net	341,692	311,316
Other assets:		
Investment in joint venture	1,517	1,610
Notes receivable, less current portion	300	248
Goodwill, net	14,757	14,757
Intangible assets, net	317	786
Other	15,118	16,061
	32,009	33,462
Total assets	\$ 1,052,723	\$ 1,008,101

See notes to financial statements.

	2018	2017
Liabilities and Net Assets		
Current liabilities:		
Current maturities of long-term debt	\$ 5,732	\$ 5,525
Accounts payable:		
Construction contracts	5,535	2,092
Trade	26,973	25,033
Estimated third-party payor settlements	21,514	13,968
Accrued liabilities:		
Payroll and related expenses	28,913	29,958
Other	11,866	12,681
Total current liabilities	100,533	89,257
Long-term debt, less current maturities and unamortized bond premium and issuance costs	266,150	259,530
Interest rate swap contracts	10,766	13,285
Medical professional liabilities	50,115	51,893
Other	937	755
	327,968	325,463
Total liabilities	428,501	414,720
Commitments and contingencies (Notes 3, 6, 7, and 9)		
Net assets:		
Controlling interest	622,028	591,595
Non-controlling interest	428	486
Total unrestricted net assets	622,456	592,081
Temporarily restricted net assets	1,766	1,300
Total net assets	624,222	593,381
Total liabilities and net assets	\$ 1,052,723	\$ 1,008,101

Southern Illinois Healthcare Enterprises, Inc.

**Consolidated Statements of Operations
Years Ended March 31, 2018 and 2017
(In Thousands)**

	2018	2017
Revenues:		
Patient service revenue, net	\$ 634,174	\$ 619,440
Provision for bad debts	(22,826)	(35,932)
Net patient service revenue, less provision for bad debts	<u>611,348</u>	583,508
Other operating revenue	11,472	6,635
Meaningful use incentive revenue	951	3,955
Net assets released from restriction	969	1,432
Total revenues	<u>624,740</u>	<u>595,530</u>
Expenses:		
Salaries	241,874	213,775
Employee benefits	61,160	53,981
Physicians' fees	36,534	36,072
Professional fees	45,810	42,937
Purchased services	20,524	15,840
Patient chargeable supplies	43,089	45,032
Patient nonchargeable supplies	22,105	20,315
Drugs and pharmaceuticals	37,756	33,187
Other supplies	9,981	11,497
Rent	1,902	2,433
Repairs and maintenance	21,763	18,408
Insurance	14,146	14,457
Miscellaneous	23,039	21,789
Interest and amortization	10,124	7,984
Depreciation	39,631	35,275
Total expenses	<u>629,438</u>	<u>572,982</u>
(Loss) income from operations	<u>(4,698)</u>	<u>22,548</u>
Nonoperating gains (losses):		
Unrestricted gifts and interest income	6,807	2,955
Investment income and net realized and unrealized gains from board designated investments	33,768	29,177
Equity in earnings of joint venture	1,244	1,206
Unrealized gain in fair value of interest rate swaps, not designated as hedging instruments	1,454	2,886
Loss on early extinguishment of debt	(8,495)	-
Other, net	(799)	(1,545)
	<u>33,979</u>	<u>34,679</u>
Excess of revenues over expenses	29,281	57,227
Contributions for equipment	87	801
Unrealized gain in fair value of interest rate swap, designated as hedging instrument	1,065	2,195
Increase in unrestricted net assets	<u><u>\$ 30,433</u></u>	<u><u>\$ 60,223</u></u>

See notes to financial statements.

Southern Illinois Healthcare Enterprises, Inc.

Consolidated Statements of Changes in Net Assets
Years Ended March 31, 2018 and 2017
(In Thousands)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets Controlling Interest	Non-controlling Interest	Total Net Assets
Balance, April 1, 2016	\$ 531,372	\$ 1,342	\$ 532,714	\$ 711	\$ 533,425
Changes in net assets:					
Distributions, net	-	-	-	(178)	(178)
Contributions for equipment	801	-	801	-	801
Contributions	-	1,390	1,390	-	1,390
Unrealized gain in fair value of interest rate swap, designated as hedging instrument	2,195	-	2,195	-	2,195
Releases from restriction	-	(1,432)	(1,432)	-	(1,432)
Excess (deficiency) of revenues over expenses	57,227	-	57,227	(47)	57,180
Total change in net assets	60,223	(42)	60,181	(225)	59,956
Balance, March 31, 2017	591,595	1,300	592,895	486	593,381
Changes in net assets:					
Contributions for equipment	87	-	87	-	87
Contributions	-	1,435	1,435	-	1,435
Unrealized gain in fair value of interest rate swap, designated as hedging instrument	1,065	-	1,065	-	1,065
Releases from restriction	-	(969)	(969)	-	(969)
Excess (deficiency) of revenues over expenses	29,281	-	29,281	(58)	29,223
Total change in net assets	30,433	466	30,899	(58)	30,841
Balance, March 31, 2018	\$ 622,028	\$ 1,766	\$ 623,794	\$ 428	\$ 624,222

See notes to financial statements.

Southern Illinois Healthcare Enterprises, Inc.

Consolidated Statements of Cash Flows
Years Ended March 31, 2018 and 2017
(In Thousands)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 30,841	\$ 59,956
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,631	35,275
Amortization of bond premium, discount and issuance costs	(105)	108
Loss on early extinguishment of debt	8,495	-
Provision for bad debts	22,826	35,932
Loss on disposal of property and equipment	856	1,593
Contributions for equipment	(87)	(801)
Amortization of goodwill and other intangible assets	469	724
Net realized and unrealized gains (losses) on investments	(22,993)	(20,246)
Undistributed net earnings of joint venture	(1,244)	(1,206)
Net (gain) loss on interest rate swap contracts	(2,519)	(5,081)
Changes in working capital components:		
Decrease (increase) in:		
Patient accounts receivable	11,464	(76,927)
Supplies, prepaids and other assets	(2,838)	(2,398)
Increase (decrease) in:		
Trade payables	1,940	(5,854)
Third-party reimbursement programs	7,546	898
Payroll and related expenses	(1,045)	(1,343)
Medical professional liabilities	(1,778)	2,151
Other liabilities	(633)	2,233
Net cash provided by operating activities	90,826	25,014
Cash flows from investing activities:		
Purchases of trading securities, net	(10,092)	(49,822)
Payments received on notes receivable, net of (advances)	492	(503)
Proceeds from sale of property and equipment	-	144
Distributions from joint venture	1,337	1,018
Purchases and construction of property and equipment	(67,420)	(76,579)
Net cash used in investing activities	(75,683)	(125,742)

(Continued)

Southern Illinois Healthcare Enterprises, Inc.

Consolidated Statements of Cash Flows (Continued)
Years Ended March 31, 2018 and 2017
(In Thousands)

	2018	2017
Cash flows from financing activities:		
Borrowings from (principal payments on) other long-term debt, net	\$ 45	\$ (53)
Payments on line of credit	(21,032)	-
Proceeds from line of credit	21,032	150
Principal payments on bonds	(5,425)	(4,030)
Advance refunding of bonds	(75,111)	-
Proceeds from issuance of bonds, including original issue premium	79,571	93,094
Payment of bond issuance costs	(643)	-
Contributions for equipment	87	801
Net cash (used in) provided by financing activities	(1,476)	89,962
Increase (decrease) in cash and cash equivalents	13,667	(10,766)
Cash and cash equivalents:		
Beginning	4,812	15,578
Ending	\$ 18,479	\$ 4,812
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized (\$1,179 in 2018; \$483 in 2017)	\$ 9,603	\$ 6,613
Supplemental disclosure of noncash investing and financing activities:		
Purchases and construction of property and equipment included in accounts payable	\$ 5,535	\$ 2,092

See notes to financial statements.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

Nature of organization: Southern Illinois Healthcare Enterprises, Inc. (SIHE or Corporation) is an Illinois not-for-profit corporation which owns and operates several medical office building facilities in Carbondale, Illinois and nearby communities. SIHE is the sole member of Southern Illinois Hospital Services (SIHS) and Health Services of Southern Illinois, Inc. (HSSI). HSSI is an Illinois for-profit corporation which operates a fitness center. SIHE elects the members of the Board of Trustees of SIHS. In addition to SIHE, SIHS and HSSI, there are other affiliated corporations described below (collectively referred to as the System). SIHE plans, directs, and administers the operations of the System.

Southern Illinois Hospital Services 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 (Memorial, Herrin and St. Joseph) are 100 percent owned by SIHS and 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.

SIHS is a 55 percent member of Physicians' Surgery Center, LLC (PSC), an Illinois limited liability company which was established in May 2007 to operate and manage an ambulatory surgical treatment center. Certain employed and non-employed physicians have the remaining 45 percent equity interest.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

A summary of the significant accounting policies is as follows:

Principles of consolidation: The consolidated financial statements include the accounts of SIHE and its subsidiaries, SIHS and its consolidated subsidiary and HSSI. All material intercompany accounts and transactions are eliminated in consolidation.

Use of estimates: The preparation of 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 financial statements. The use of estimates and assumptions in the preparation of the accompanying 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.

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 generally do not charge interest on patient receivable accounts which are past due. However, there are certain balances due from the State of Illinois that are earning interest. 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 net realizable value.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

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. 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 is included in other operating revenue. Income from all other investments is 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, 2018 and 2017.

Investment in joint venture: As of March 31, 2018 and 2017, the Corporation has a 34 percent interest in Southern Illinois Orthopedic Center, LLC (SIOC). SIOC was established in fiscal year 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 income (expense) 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.

Property and equipment: The Corporation capitalizes expenditures that exceed \$2.5 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.

Original bond issuance costs and original premiums: 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. Premiums relating to bond issuance are amortized by the straight-line method, which approximates the effective interest method, over the term of the related bond issue. These costs and premiums are reflected on the accompanying consolidated balance sheets as direct deductions or additions to the related debt liability.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

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 goodwill impairment recognized in fiscal year 2018 and 2017.

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 the 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 continued through September 30, 2017, with the incentive payments 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.

The Corporation has recorded \$951 and \$3,955 of Medicare and Medicaid EHR incentive revenue for the years ended March 31, 2018 and 2017, respectively, in the accompanying consolidated statements of operations.

Income from operations: The consolidated statements of operations include an intermediate measure of operations, income from operations, which represents the activity of the ongoing operations of the Corporation. 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 which is considered the operating indicator. 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.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

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: SIHE and its affiliated organizations, with the exception of the Captive, HSSI and PSC, are 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, 2018 and 2017, no tax was due related to these operations. The Captive is incorporated under the laws of the Cayman Islands, which imposes no tax on income or capital gains. However, the Captive is subject to U.S. federal corporate taxation to the extent that it generates income that is effectively connected with a U.S. trade or business. The Captive is not engaged in any such trade or business in the U.S. PSC is a pass-through entity and its members separately account for their share of PSC's net income or loss which is allocated to the members based on the ownership percentage. Accordingly, income taxes are not provided for in the accompanying financial statements.

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 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.

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, 2018 and 2017. 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 for the years ended March 31, 2018 and 2017.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

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, 2014 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.

Recently adopted accounting pronouncement: In January 2016, the FASB issued Accounting Standards Update (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, financial statements. In 2017, the Corporation elected to early adopt the amendment within ASU 2016-01 that no longer requires disclosure of the fair value of financial instruments that are not measured at fair value and as such, these disclosures are not included herein. The Corporation is currently evaluating the impact of the adoption of the remaining provisions of ASU 2016-01 on its financial statements.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

Pending accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effect for the Corporation's March 31, 2019, financial statements. The Corporation adopted ASU 2014-09 on April 1, 2018 using the modified retrospective method of transition. The effect on the Corporation's financial statements of adopting ASU 2014-09 is considered immaterial as revenue recognition under the new standard is not materially different compared to the Corporation's current practice. The primary effect is certain amounts previously reported as provision for bad debts will now be considered implicit price concessions reported as a reduction of gross patient service revenue. Any remaining provision for bad debts related to credit losses are reported as an operating expense under the new revenue recognition standard rather than a reduction of net patient service revenue.

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. 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 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, financial statements, with early adoption permitted. The Corporation is in the process of evaluating the impact of this new guidance on its financial statements.

In March 2016, FASB issued ASU 2016-05, *Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*, which clarifies that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. This ASU is effective for the Corporation's March 31, 2019, financial statements. An entity has the option to apply ASU 2016-05 on either a prospective basis or a modified retrospective basis. Early adoption is permitted. The adoption of ASU 2016-05 is not expected to have a material effect on the Corporation's financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for the Corporation's March 31, 2019, financial statements, with early adoption permitted. The Corporation is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 will be effective for the Corporation's March 31, 2020, financial statements. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Corporation is currently evaluating the impact the adoption of this guidance will have on its consolidated statement of cash flows.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. Its provisions require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new standard will be effective for the Corporation's March 31, 2020, financial statements. Early adoption is permitted. ASU 2016-18 requires a retrospective transition method. The Corporation is currently evaluating the effect of the new standard on the financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This pronouncement eliminates Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The pronouncement also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. The Corporation will still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The Corporation will be required to adopt ASU 2017-04 for its annual or any interim goodwill tests in the Corporation's March 31, 2023, financial statements. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. ASU 2017-04 requires adoption on a prospective basis.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The new guidance is intended to more closely align hedge accounting with entities' hedging strategies, simplify the application of hedge accounting, and increase the transparency of hedging programs. The amendments in ASU 2017-12 are effective for the Company beginning on April 1, 2020. For cash flow and net investment hedges existing at the date of adoption, ASU 2017-12 must be applied through a cumulative-effect adjustment. The amended presentation and disclosure guidance is required only prospectively. The adoption of ASU 2017-12 is not expected to have a material impact on the 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.

Subsequent events: The Corporation has evaluated subsequent events through July 26, 2018, the date on which the financial statements were issued.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

Note 2. Interest Rate Swap Contracts

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. Further the 2005 bonds were defeased during fiscal year 2018. This interest rate swap had a notional amount of \$43,100 and \$43,300 at March 31, 2018 and 2017, respectively, and expires in March 2035. During 2018 and 2017, the net settlements on the swap resulted in additional interest expense of approximately \$954 and \$1,200, respectively.

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 2008 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; 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 \$24,725 and \$25,995 as of March 31, 2018 and 2017, respectively, and expires in March 2038. During 2018 and 2017, the net settlements on the swap resulted in additional interest expense of approximately \$674 and \$849, respectively.

The interest rate swap contracts had a combined fair value of \$(10,766) and \$(13,285) as of March 31, 2018 and 2017, respectively. The change in the fair value of the contracts not designated as hedging instruments resulted in a net gain of \$1,453 and \$2,886 for the years ended March 31, 2018 and 2017, respectively, and is recorded as a nonoperating gain in the consolidated statements of operations. The change in the fair value of the contract designated as a hedging instrument resulted in a net gain of \$1,065 and \$2,195 for the years ended March 31, 2018 and 2017, respectively, 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 Royal Bank of Canada or Morgan Stanley fails to perform under the terms on the interest rate swap contracts.

Southern Illinois Healthcare Enterprises, Inc.

Notes to 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 is paid for inpatient and outpatient services under the Critical Access Hospital (CAH) methodology. As a CAH, St. Joseph 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 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, 2014.

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 \$861 and \$714 in 2018 and 2017, respectively, 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 and Affordable Care Act supplemental payments: The Corporation participates in the State of Illinois hospital tax assessment program which is administered by the Illinois Department of Healthcare and Family Services. 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. The Corporation also receives supplemental payments from the State of Illinois for Medicaid beneficiaries newly eligible under the Affordable Care Act including adults in Medicaid Managed Care plans. For the years ended March 31, 2018 and 2017, the Corporation has recorded \$27,068 and \$27,085, respectively, in assessment revenue and supplemental payments, which is included in net patient service revenue on the consolidated statements of operations. For the years ended March 31, 2018 and 2017, the Corporation has recorded \$11,019 and \$10,354, respectively, in assessment expense (Medicaid tax), which is included in miscellaneous expenses on the consolidated statements of operations.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

Note 3. Net Patient Service Revenue (Continued)

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, 2018 and 2017, was approximately \$4,802 and \$4,940, 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 Healthcare Enterprises, Inc.

**Notes to 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, 2018 and 2017:

	2018	%	2017	%
Medicare and Medicare managed care	\$ 218,653	34%	\$ 207,802	34%
Medicaid and Medicaid managed care	78,407	12%	75,412	12%
Other third-party payors	320,709	51%	300,928	49%
Self-pay	16,405	2%	35,298	5%
Total patient service revenue (net of contractual allowances and discounts)	<u>\$ 634,174</u>	<u>100%</u>	<u>\$ 619,440</u>	<u>100%</u>

Note 4. Patient Accounts Receivable

Patient accounts receivable at March 31, 2018 and 2017, are as follows:

	2018	2017
Patient accounts receivable	\$ 397,976	\$ 530,134
Less allowance for charity care	(15,102)	(14,106)
Less allowance for doubtful accounts	(34,166)	(32,652)
Less unapplied third-party payments and allowances for estimated contractual adjustments	(229,951)	(330,329)
	<u>\$ 118,757</u>	<u>\$ 153,047</u>

The mix of gross patient receivables from patients and third-party payors as of March 31, 2018 and 2017, was as follows:

	Gross Patient Receivables	
	2018	2017
Medicare and Medicare managed care	29 %	15 %
Medicaid and Medicaid managed care	23	49
Other third-party payors	38	30
Patients	10	6
	<u>100 %</u>	<u>100 %</u>

Southern Illinois Healthcare Enterprises, Inc.

**Notes to 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, 2018 and 2017, are set forth in the following table. Investments are stated at fair value.

	2018	2017
Cash equivalents	\$ 58,040	\$ 98,363
Treasury securities	18,263	17,539
Government agency securities	15,840	17,219
Mortgage-backed securities	22,816	18,240
Asset-backed securities	1,857	2,105
Municipal securities	7,045	6,395
Investment grade corporate securities	79,006	33,671
High yield securities	21,399	19,505
Balanced funds (stocks and bonds)	103,690	71,133
Domestic equity	26,468	107,074
Foreign developed equity	33,566	2,895
Emerging markets equity	19,101	1,046
Global equity	105,339	80,429
Real estate investment trust	-	3,763
Other	478	446
	<u>\$ 512,908</u>	<u>\$ 479,823</u>

Amounts held in trust that are designated for payment of current liabilities have been classified as current assets. Amounts held in trust that are designated for payment of construction project expenditures have been classified as noncurrent 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.

The Board of Trustees of SIHE adopted a resolution reaffirming that all funds transferred to SIHE from SIHS in the current and prior years be held in an account designated solely for capital expenditures related to patient care. As a result of the Board of Trustees resolution, the investments of SIHE have been classified as assets whose use is limited in the financial statements.

Investment income and gains (losses) presented on the consolidated statements of operations for assets whose use is limited, cash equivalents, and other investments are comprised of the following for the years ended March 31, 2018 and 2017:

	2018	2017
Interest and dividend income	\$ 18,062	\$ 12,077
Net realized and unrealized gains on investments	22,993	20,246
	<u>\$ 41,055</u>	<u>\$ 32,323</u>

Southern Illinois Healthcare Enterprises, Inc.

**Notes to 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:

	2018	2017
Other operating revenue	\$ 486	\$ 197
Nonoperating gains:		
Unrestricted interest income	6,801	2,949
Investment income and net realized and unrealized gains from board designated investments	33,768	29,177
	<u>\$ 41,055</u>	<u>\$ 32,323</u>

Note 6. Property and Equipment

Property and equipment at March 31, 2018 and 2017, are as follows:

	2018	2017
Buildings	\$ 213,345	\$ 181,963
Departmental equipment	259,060	203,153
Building equipment	151,416	136,270
Land improvements and leasehold improvements	19,466	18,534
	<u>643,287</u>	<u>539,920</u>
Less accumulated depreciation	<u>(337,718)</u>	<u>(304,625)</u>
	305,569	235,295
Land	18,262	17,457
Construction-in-progress	17,861	58,564
	<u>\$ 341,692</u>	<u>\$ 311,316</u>

Construction-in-progress represents amounts expended for on-going projects throughout the Corporation. Significant projects in process at March 31, 2018, include the expansion of the surgery departments at Memorial and Herrin and the construction of a building at Southern Illinois University in Carbondale. The Corporation completed the EPIC Software implementation in 2018. The projects in process at March 31, 2018 are expected to be completed over the next three fiscal years. The estimated total costs to complete construction projects in progress at March 31, 2018, are approximately \$39,971.

Southern Illinois Healthcare Enterprises, Inc.

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

Note 7. Long-Term Debt

Long-term debt as of March 31, 2018 and 2017, is as follows:

	2018	2017
Series 2005 term bonds, with interest ranging from 4.00-5.25%, with original terms requiring semi-annual interest payments from September 1, 2010 through March 1, 2024 and annual principal payments from 2016 through 2024. This obligation was advance refunded in 2018.	\$ -	\$ 13,550
Series 2005 term bonds, with interest at 5.25%, with original terms requiring semi-annual interest payments from September 1, 2010 through March 1, 2030 and a balloon principal payment occurring on March 1, 2030. This obligation was advance refunded in 2018.	-	27,450
Series 2005 term bonds, with interest at 5.38%, with original terms requiring semi-annual interest payments from September 1, 2010 through March 1, 2035 and a balloon principal payment occurring on March 1, 2035. This obligation was advance refunded in 2018.	-	27,550
Series 2011 serial bonds, with interest at 2.51%, with semi-annual interest payments from March 1, 2012 through March 1, 2020 and annual principal payments from 2016 through 2020.	2,315	3,390
Series 2014A variable rate bonds, with interest at 2.27% and 1.28% at March 31, 2018 and 2017, respectively, with monthly interest payments from July 1, 2014 through March 1, 2044 and annual principal payments from 2015 through 2044.	73,855	71,750
Series 2014B variable rate bonds, with interest at 2.22% and 1.28% at March 31, 2018 and 2017, respectively, with monthly interest payments from July 1, 2014 through March 1, 2044 and annual principal payments from 2015 through 2044.	44,245	45,280
Series 2017A revenue term bonds, with interest ranging from 4.25-5.00%, with semi-annual interest payments from March 1, 2017 through March 1, 2047 and annual principal payments from 2045 through 2047.	35,160	35,160
Series 2017B variable rate taxable revenue serial bonds, with interest ranging from 1.81-5.10% at March 31, 2017, with semi-annual interest payments from March 1, 2017 through March 1, 2045 and annual principal payments from 2018 through 2045.	42,435	43,730
Series 2017C revenue refunding serial bonds, with interest ranging from 3.00-5.00%, with semi-annual interest and annual principal payments from March 1, 2018 through March 1, 2035.	66,550	-
Other	329	284
	<u>264,889</u>	<u>268,144</u>
Less current portion	(5,732)	(5,525)
Unamortized original issue premium	9,618	1,012
Unamortized original issue discount	(217)	(225)
Unamortized bond issuance costs	(2,408)	(3,876)
Long-term debt	<u>\$ 266,150</u>	<u>\$ 259,530</u>

Southern Illinois Healthcare Enterprises, Inc.

Notes to 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. The Series 2005 Bonds were advance refunded using the proceeds from the Series 2017C Bonds discussed following.

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 drawn down over time, including draws of \$3,830 and \$2,755 in 2018 and 2017, respectively, 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 February 2017, the Authority issued \$35,160 and \$43,730 of Series 2017A Fixed Rate Revenue Bonds and 2017B Variable Rate Taxable Revenue Bonds, respectively. The Corporation borrowed the taxable and 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 2017A Bonds and the Series 2017B Bonds were issued to finance, refinance or reimburse all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain health facilities of the Corporation as well as paying certain expenses incurred in connection with the issuance of the Bonds.

In September 2017, the Authority issued \$66,845 Fixed Rate Revenue Refunding Bonds, Series 2017C on behalf of the Corporation. The 2017C Bonds were issued with an original issue premium of \$8,896. The proceeds of the Series 2017C Bonds were loaned to the Corporation pursuant to a loan agreement between the Corporation and the Authority, and were used primarily to advance refund the Series 2005 Bonds and pay the issuing cost of the Series 2017C bonds.

In connection with the advance refunding of the Series 2005 bonds, the Corporation recognized a loss on early extinguishment of debt of \$8,495, which included \$1,934 to write off the Series 2005 bond issuance cost and \$6,561 to advance refund the bonds. The loss on early extinguishment of debt is reported as a nonoperating loss in the accompanying 2018 consolidated statement of operations.

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.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements
(In Thousands)

Note 7. Long-Term Debt (Continued)

At March 31, 2018, the aggregate annual maturities of long-term debt are as follows:

Year Ending March 31

2019	\$	5,732
2020		5,615
2021		5,690
2022		5,860
2023		6,085
Thereafter		235,907
	\$	<u>264,889</u>

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 line-of-credit from a bank with a credit limit of \$10,000. The balance of the line-of-credit was \$0 as of March 31, 2018 and 2017, respectively.

Note 8. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Beginning of year	\$ 15,543	\$ 16,267
Amortization	(469)	(724)
End of year	<u>\$ 15,074</u>	<u>\$ 15,543</u>

Southern Illinois Healthcare Enterprises, Inc.

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

Note 8. Goodwill and Intangible Assets (Continued)

Estimated future amortization of intangible assets is expected to be as follows:

Year Ending March 31

2019	\$	290
2020		21
2021		6
	\$	<u>317</u>

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 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 employer's 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.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

Note 9. Commitments and Contingencies (Continued)

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 \$5,715 and \$5,654 can be claimed from its reinsurers, as of March 31, 2018 and 2017, 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 and has recorded a discounted liability of \$40,412 and \$40,835, at March 31, 2018 and 2017, respectively. Accrued professional and general liability claim losses have been discounted at 1.0 percent as of March 31, 2018 and 2017. 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 significant 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.

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 \$1,971 and \$1,883 as of March 31, 2018 and 2017, respectively. The Corporation has recorded liabilities for SIMS for reported claims and claims incurred but not reported related to claims occurring subsequent to January 15, 2007 which were not reported of \$7,732 and \$9,175 as of March 31, 2018 and 2017, respectively. These liabilities are included in medical professional liabilities on the consolidated balance sheets. Insurance recoveries receivable for SIMS of \$4,110 and \$5,700 have been recorded as of March 31, 2018 and 2017, respectively, and are included in other assets in the accompanying consolidated balance sheets. Self-insured professional and general liability expense of approximately \$6,549 in 2018 and \$6,125 in 2017 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.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

Note 9. Commitments and Contingencies (Continued)

Coverage was written for the period from January 1, 2008 to January 1, 2012 and then renewed through January 1, 2019, 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, 2019, 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, 2018 and 2017. 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, 2018 and 2017, was approximately \$31,277 and \$28,736, respectively.

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 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. In March 2017, the Corporation received an inquiry from a governmental agency requesting certain patient records and other information related to a specific service and physician relationship. Management has complied with the request for information in a complete and timely manner. No related subsequent correspondence was received from the government. No accrual has been made at March 31, 2018 or 2017, for any loss contingency related to this matter because a loss contingency is not considered probable and a range of loss cannot be reasonably estimated. Management is not aware of any other pending or threatened informational requests or investigations involving allegations of potential wrongdoing. While no further 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.

Medicare and Medicaid reimbursement: Significant cuts to both the Medicare and Medicaid programs are under consideration by the U.S. Congress and the current presidential administration as they look to cut federal spending and repeal various provisions of the Affordable Care Act (ACA), including eliminating subsidies for the uninsured to purchase insurance coverage. Such cuts in Medicare and Medicaid reimbursement and changes in the ACA, if enacted, could have an adverse effect on the Corporation's financial position, results of operations and cash flows.

Southern Illinois Healthcare Enterprises, Inc.

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

Note 9. Commitments and Contingencies (Continued)

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. At March 31, 2018 and 2017, 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 decision was appealed to the Illinois Supreme Court, which on March 23, 2017, vacated the Fourth District Appellate Court's ruling, citing a lack of jurisdiction, and remanded the case to circuit court for reconsideration. However, in its decision the Illinois Supreme Court did not rule on the constitutionality of Section 15-86 of the Illinois Property Tax Code, and additional legal challenges to the law may occur. Management continues to believe that Memorial, Herrin and St. Joseph hospitals meet the requirements under the law to maintain their property and sales tax exemptions; however, such requirements may change based on the outcome of such future legal challenges.

Operating leases: At March 31, 2018, the Corporation was committed to fixed minimum operating and rental payments under various agreements as follows:

Year Ending March 31

2019	\$	494
2020		350
2021		126
2022		70
2023		8
Thereafter		39
	\$	<u>1,087</u>

Total rent and lease expense for the years ended March 31, 2018 and 2017, was approximately \$1,905 and \$2,433, respectively.

Southern Illinois Healthcare Enterprises, Inc.

Notes to Financial Statements (In Thousands)

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 \$6,772 and \$5,762 for the years ended March 31, 2018 and 2017, 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, 2017 and 2016, the Corporation contributed approximately \$844 and \$763, 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 \$1,592 and \$1,246 for the years ended March 31, 2018 and 2017, 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 \$248 and \$234 for the years ended March 31, 2018 and 2017, respectively.

Note 11. 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.

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 March 31, 2018 and March 31, 2017.

Southern Illinois Healthcare Enterprises, Inc.

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

Note 11. Fair Value Measurements (Continued)

Following is a description of the Corporation's valuation methodologies used for assets and liabilities measured at fair value, not classified as Level 1:

Investments: The fair values of assets listed as Level 2 investments are determined with the assistance of our custodian and are calculated from various observable inputs and other market data by a source contracted by the custodian. 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). Funds not held by the custodian are reviewed by management for similarities with custodian-held assets and are assigned a comparable level.

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 Healthcare Enterprises, Inc.

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

Note 11. 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, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

	March 31, 2018	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Financial assets:				
Investments:				
Cash equivalents	\$ 58,040	\$ 58,040	\$ -	\$ -
Fixed income:				
Treasury securities	18,263	-	18,263	-
Government agency securities	15,840	-	15,840	-
Mortgage-backed securities	22,816	-	22,816	-
Asset-backed securities	1,857	-	1,857	-
Municipal securities	7,045	-	7,045	-
Investment grade corporate securities	79,006	-	79,006	-
High yield securities	21,399	-	21,399	-
Balanced funds (stocks and bonds)	103,690	103,690	-	-
Common stock:				
Domestic equity	26,468	26,468	-	-
Foreign developed equity	33,566	33,566	-	-
Emerging markets equity	19,101	19,101	-	-
Global Equity	105,339	105,339	-	-
Other	478	478	-	-
	<u>\$ 512,908</u>	<u>\$ 346,682</u>	<u>\$ 166,226</u>	<u>\$ -</u>
Interest rate swap contracts (liability)	\$ (10,766)	\$ -	\$ (10,766)	\$ -

Southern Illinois Healthcare Enterprises, Inc.

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

Note 11. Fair Value Measurements (Continued)

	March 31, 2017	Quoted 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	\$ 98,363	\$ 98,363	\$ -	\$ -
Fixed income:				
Treasury securities	17,539	-	17,539	-
Government agency securities	17,219	-	17,219	-
Mortgage-backed securities	18,240	-	18,240	-
Asset-backed securities	2,105	-	2,105	-
Municipal securities	6,395	-	6,395	-
Investment grade corporate securities	33,671	-	33,671	-
High yield securities	19,505	-	19,505	-
Balanced funds (stocks and bonds)	71,133	71,133	-	-
Common stock:				
Domestic equity	107,074	107,074	-	-
Foreign developed equity	2,895	2,895	-	-
Emerging markets equity	1,046	1,046	-	-
Global equity	80,429	80,429	-	-
Real estate investment trust	3,763	3,763	-	-
Other	446	446	-	-
	<u>\$ 479,823</u>	<u>\$ 365,149</u>	<u>\$ 114,674</u>	<u>\$ -</u>
Interest rate swap contracts (liability)	<u>\$ (13,285)</u>	<u>\$ -</u>	<u>\$ (13,285)</u>	<u>\$ -</u>

Note 12. 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 payer agreements (see Note 4).

At March 31, 2018 and 2017, 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.

Southern Illinois Healthcare Enterprises, Inc.

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

Note 13. 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, 2018, are as follows:

Year Ending March 31

2019	\$	1,057
2020		589
2021		496
2022		486
2023		58
Thereafter		24
	<u>\$</u>	<u>2,710</u>

Note 14. 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, 2018 and 2017, these expenses are as follows:

	<u>2018</u>	<u>2017</u>
Health care services	\$ 526,156	\$ 486,617
General and administrative	103,099	86,157
Fundraising	183	208
	<u>\$ 629,438</u>	<u>\$ 572,982</u>

Supplementary Information

Southern Illinois Healthcare Enterprises, Inc.

Consolidating Balance Sheet
 March 31, 2018
 (In Thousands)

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 601	\$ 17,851	\$ 27	\$ -	\$ 18,479
Assets whose use is limited by trust agreement	-	5,327	-	-	5,327
Accounts receivable:					
Patients, net	-	118,757	-	-	118,757
Affiliates	75	354	-	(429)	-
Supplies	-	15,678	-	-	15,678
Prepaid expenses	2	9,408	-	-	9,410
Current portion of notes receivable	-	20	-	-	20
Other	-	3,770	-	-	3,770
Total current assets	678	171,165	27	(429)	171,441
Assets whose use is limited by:					
Board designation for capital improvements	21,781	435,754	-	-	457,535
Board designation for self-insurance	-	35,142	-	-	35,142
Trust agreement - project funds	-	14,904	-	-	14,904
	21,781	485,800	-	-	507,581
Property and equipment, net	6,154	335,534	4	-	341,692
Other assets:					
Investment in joint venture	(297)	1,517	-	297	1,517
Notes receivable, less current portion	-	300	-	-	300
Goodwill, net	-	14,757	-	-	14,757
Intangible assets, net	-	317	-	-	317
Other	-	15,118	-	-	15,118
	(297)	32,009	-	297	32,009
Total assets	\$ 28,316	\$ 1,024,508	\$ 31	\$ (132)	\$ 1,052,723

(Continued)

Southern Illinois Healthcare Enterprises, Inc.

Consolidating Balance Sheet (Continued)
 March 31, 2018
 (In Thousands)

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Liabilities and Net Assets					
Current liabilities:					
Current maturities of long-term debt	\$ -	\$ 5,732	\$ -	\$ -	\$ 5,732
Accounts payable:					
Construction contracts	-	5,535	-	-	5,535
Trade	99	26,874	-	-	26,973
Affiliates	26	75	328	(429)	-
Estimated third-party payor settlements	-	21,514	-	-	21,514
Accrued liabilities:					
Payroll and related expense	-	28,913	-	-	28,913
Other	423	11,443	-	-	11,866
Total current liabilities	548	100,086	328	(429)	100,533
Long-term debt, less current maturities and unamortized bond premium and issuance costs	-	266,150	-	-	266,150
Interest rate swap contracts	-	10,766	-	-	10,766
Medical professional liabilities	-	50,115	-	-	50,115
Other	-	937	-	-	937
	-	327,968	-	-	327,968
Total liabilities	548	428,054	328	(429)	428,501
Net assets:					
Common stock	-	-	6,885	(6,885)	-
Controlling interest	27,768	594,260	(7,182)	7,182	622,028
Non-controlling interest	-	428	-	-	428
Total unrestricted net assets	27,768	594,688	(297)	297	622,456
Temporarily restricted	-	1,766	-	-	1,766
Total net assets	27,768	596,454	(297)	297	624,222
Total liabilities and net assets	\$ 28,316	\$ 1,024,508	\$ 31	\$ (132)	\$ 1,052,723

Southern Illinois Healthcare Enterprises, Inc.

Consolidating Balance Sheet
 March 31, 2017
 (In Thousands)

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 508	\$ 4,292	\$ 12	\$ -	\$ 4,812
Assets whose use is limited by trust agreement	-	209	-	-	209
Accounts receivable:					
Patients, net	-	153,047	-	-	153,047
Affiliates	69	254	-	(323)	-
Supplies	-	13,352	-	-	13,352
Prepaid expenses	2	9,386	-	-	9,388
Current portion of notes receivable	-	564	-	-	564
Other	65	2,272	-	-	2,337
Total current assets	644	183,376	12	(323)	183,709
Assets whose use is limited by:					
Board designation for capital improvements	21,379	387,346	-	-	408,725
Board designation for self-insurance	-	35,092	-	-	35,092
Trust agreement - project funds	-	35,797	-	-	35,797
	21,379	458,235	-	-	479,614
Property and equipment, net	5,978	305,330	8	-	311,316
Other assets:					
Investment in joint venture	(202)	1,610	-	202	1,610
Notes receivable, less current portion	-	248	-	-	248
Goodwill	-	14,757	-	-	14,757
Intangible assets, net	-	786	-	-	786
Other	-	16,061	-	-	16,061
	(202)	33,462	-	202	33,462
Total assets	\$ 27,799	\$ 980,403	\$ 20	\$ (121)	\$ 1,008,101

(Continued)

Southern Illinois Healthcare Enterprises, Inc.

Consolidating Balance Sheet (Continued)
 March 31, 2017
 (In Thousands)

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Liabilities and Net Assets					
Current liabilities:					
Current maturities of long-term debt	\$ -	\$ 5,525	\$ -	\$ -	\$ 5,525
Accounts payable:					
Construction contracts	4	2,088	-	-	2,092
Trade	21	25,012	-	-	25,033
Affiliates	32	69	222	(323)	-
Estimated third-party payor settlements	-	13,968	-	-	13,968
Accrued liabilities:					
Payroll and related expenses	-	29,958	-	-	29,958
Other	421	12,260	-	-	12,681
Total current liabilities	478	88,880	222	(323)	89,257
Long-term debt, less current maturities and unamortized bond issuance costs	-	259,530	-	-	259,530
Interest rate swap contracts	-	13,285	-	-	13,285
Medical professional liabilities	-	51,893	-	-	51,893
Other, net	-	755	-	-	755
	-	325,463	-	-	325,463
Total liabilities	478	414,343	222	(323)	414,720
Net assets:					
Common stock	-	-	6,885	(6,885)	-
Controlling interest	27,321	564,274	(7,087)	7,087	591,595
Non-controlling interest	-	486	-	-	486
Total unrestricted net assets	27,321	564,760	(202)	202	592,081
Temporarily restricted	-	1,300	-	-	1,300
Total net assets	27,321	566,060	(202)	202	593,381
Total liabilities and net assets	\$ 27,799	\$ 980,403	\$ 20	\$ (121)	\$ 1,008,101

Southern Illinois Healthcare Enterprises, Inc.

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

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Revenues:					
Patient service revenue, net	\$ -	\$ 634,174	\$ -	\$ -	\$ 634,174
Provision for bad debts	-	(22,826)	-	-	(22,826)
Net patient service revenue, less provision for bad debts	-	611,348	-	-	611,348
Other operating revenue	1,626	10,744	16	(914)	11,472
Meaningful use incentive revenue	-	951	-	-	951
Net assets released from restriction	-	969	-	-	969
Total revenues	1,626	624,012	16	(914)	624,740
Expenses:					
Salaries	-	241,823	51	-	241,874
Employee benefits	-	61,148	12	-	61,160
Physicians' fees	-	36,534	-	-	36,534
Professional fees	17	45,793	-	-	45,810
Purchased services	242	20,294	-	(12)	20,524
Patient chargeable supplies	-	43,089	-	-	43,089
Patient nonchargeable supplies	-	22,105	-	-	22,105
Drugs and pharmaceuticals	-	37,756	-	-	37,756
Other supplies	1	9,978	2	-	9,981
Rent	6	2,777	33	(914)	1,902
Repairs and maintenance	57	21,706	-	-	21,763
Insurance	37	14,109	-	-	14,146
Miscellaneous	552	22,467	8	12	23,039
Interest and amortization	-	10,124	-	-	10,124
Depreciation	575	39,051	5	-	39,631
Total expenses	1,487	628,754	111	(914)	629,438
Income (loss) from operations	139	(4,742)	(95)	-	(4,698)
Nonoperating gains (losses):					
Unrestricted gifts and interest income	-	6,807	-	-	6,807
Investment income and net realized and unrealized gains (losses) from investments	403	33,365	-	-	33,768
Equity in earnings of joint venture	(95)	1,244	-	95	1,244
Unrealized gain in fair value of interest rate swap, not designated as a hedging instrument	-	1,454	-	-	1,454
Loss on early extinguishment of debt	-	(8,495)	-	-	(8,495)
Other, net	-	(799)	-	-	(799)
	308	33,576	-	95	33,979
Excess (deficiency) of revenues over expenses	447	28,834	(95)	95	29,281
Contributions for equipment	-	87	-	-	87
Unrealized gain in fair value of interest rate swap, designated as a hedging instrument	-	1,065	-	-	1,065
Increase (decrease) in unrestricted net assets	\$ 447	\$ 29,986	\$ (95)	\$ 95	\$ 30,433

Southern Illinois Healthcare Enterprises, Inc.

Consolidating Statement of Operations
Year Ended March 31, 2017
(In Thousands)

	Southern Illinois Healthcare Enterprises, Inc.	Southern Illinois Hospital Services and Subsidiaries and Affiliate	Health Services of Southern Illinois, Inc. and Subsidiaries	Intercompany Eliminations	Consolidated
Revenues:					
Patient service revenue, net	\$ -	\$ 619,440	\$ -	\$ -	\$ 619,440
Provision for bad debts	-	(35,932)	-	-	(35,932)
Net patient service revenue, less provision for bad debts	-	583,508	-	-	583,508
Other operating revenue	1,652	5,874	19	(910)	6,635
Meaningful use incentive revenue	-	3,955	-	-	3,955
Net assets released from restriction	-	1,432	-	-	1,432
Total revenues	1,652	594,769	19	(910)	595,530
Expenses:					
Salaries	-	213,687	54	34	213,775
Employee benefits	-	53,968	13	-	53,981
Physicians' fees	-	36,072	-	-	36,072
Professional fees	-	42,922	15	-	42,937
Purchased services	179	15,733	-	(72)	15,840
Patient chargeable supplies	-	45,032	-	-	45,032
Patient nonchargeable supplies	-	20,315	-	-	20,315
Drugs and pharmaceuticals	-	33,187	-	-	33,187
Other supplies	4	11,492	1	-	11,497
Rent	28	3,282	33	(910)	2,433
Repairs and maintenance	56	18,351	1	-	18,408
Insurance	57	14,400	-	-	14,457
Miscellaneous	561	21,182	8	38	21,789
Interest and amortization	-	7,984	-	-	7,984
Depreciation	559	34,711	5	-	35,275
Total expenses	1,444	572,318	130	(910)	572,982
Income (loss) from operations	208	22,451	(111)	-	22,548
Nonoperating gains (losses):					
Unrestricted gifts and interest income	-	2,955	-	-	2,955
Investment income and net realized and unrealized gains from investments	594	28,583	-	-	29,177
Equity in earnings of joint venture	(111)	1,206	-	111	1,206
Unrealized gain in fair value of interest rate swaps, not designated as hedging instruments	-	2,886	-	-	2,886
Other, net	(7)	(1,538)	-	-	(1,545)
	476	34,092	-	111	34,679
Excess (deficiency) of revenues over expenses	684	56,543	(111)	111	57,227
Contributions for equipment	-	801	-	-	801
Unrealized gain in fair value of interest rate swap, designated as a hedging instrument	-	2,195	-	-	2,195
Increase (decrease) in unrestricted net assets	\$ 684	\$ 59,539	\$ (111)	\$ 111	\$ 60,223

Southern Illinois Healthcare Enterprises, Inc.
 Combining Balance Sheet - Southern Illinois Hospital Services
 March 31, 2018
 (In Thousands)

	Memorial of Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation, NFP	Quality Health Partners LLC	Eliminations	Total
Current assets:												
Cash and cash equivalents	\$ 6,970	\$ 5,002	\$ 4,089	\$ 110	\$ 16,171	\$ 257	\$ 640	\$ 121	\$ 625	\$ 37	\$ -	\$ 17,851
Assets whose use is limited by trust agreement	196	51	21	4,180	4,448	879	-	-	-	-	-	5,327
Accounts receivable:												
Patients, net	58,830	28,279	15,883	-	102,992	15,024	-	741	-	-	-	118,757
Affiliates	-	-	-	119,440	119,440	965	-	-	-	-	(120,051)	354
Supplies	9,400	2,053	1,540	2,375	15,368	58	-	252	-	-	-	15,678
Prepaid expenses	1,143	362	80	6,343	7,928	1,428	12	40	-	-	-	9,408
Current portion of notes receivable	-	20	-	-	20	-	-	-	-	-	-	20
Other	699	459	92	1,112	2,362	274	-	-	-	1,134	-	3,770
Total current assets	77,238	36,226	21,705	133,560	268,729	18,865	652	1,154	625	1,171	(120,051)	171,165
Assets whose use is limited by:												
Board designation for capital improvements	-	-	-	435,754	435,754	-	-	-	-	-	-	435,754
Board designation for self-insurance	-	-	-	-	-	-	35,142	-	-	-	-	35,142
Trust agreement - Project funds	10,432	-	517	3,955	14,904	-	-	-	-	-	-	14,904
	10,432	-	517	439,709	450,658	-	35,142	-	-	-	-	485,800
Property and equipment, net	141,832	66,829	21,896	76,324	306,881	28,458	-	195	-	-	-	335,534
Other assets:												
Investment in joint venture	1,516	1	-	401	1,918	-	-	-	-	-	(401)	1,517
Notes receivable, less current portion	-	95	-	-	95	205	-	-	-	-	-	300
Goodwill, net	-	1,232	-	-	1,232	12,760	-	765	-	-	-	14,757
Intangible assets, net	-	8	-	-	8	309	-	-	-	-	-	317
Other	263	212	-	3,289	3,764	5,639	5,715	-	-	-	-	15,118
	1,779	1,548	-	3,690	7,017	18,913	5,715	765	-	-	(401)	32,009
Total assets	\$ 231,281	\$ 104,603	\$ 44,118	\$ 653,283	\$ 1,033,285	\$ 66,256	\$ 41,509	\$ 2,114	\$ 625	\$ 1,171	\$ (120,452)	\$ 1,024,508

(Continued)

Southern Illinois Healthcare Enterprises, Inc.
 Combining Balance Sheet - Southern Illinois Hospital Services (Continued)
 March 31, 2018
 (In Thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation, NFP	Quality Health Partners LLC	Eliminations	Total
Liabilities and Net Assets												
Current liabilities:												
Current maturities of long-term debt	\$ 3,123	\$ 703	\$ 289	\$ 1,310	\$ 5,425	\$ -	\$ -	\$ 307	\$ -	\$ -	\$ -	\$ 5,732
Accounts payable:												
Construction contracts	842	246	166	4,163	5,417	118	-	-	-	-	-	5,535
Trade	8,834	4,043	1,375	9,995	24,247	2,301	178	204	-	-	(56)	26,874
Affiliates	14,208	5,753	1,223	-	21,184	117,250	785	18	50	1,967	(119,995)	75
Estimated third-party payor settlements								330				21,514
Accrued liabilities:												
Payroll and related expense	6,607	4,515	1,364	5,334	17,820	11,042	-	51	-	-	-	28,913
Other	2,062	1,250	331	4,061	7,704	3,545	-	5	-	189	-	11,443
Total current liabilities	35,676	16,510	4,748	24,863	81,797	134,256	963	915	50	2,156	(120,051)	100,086
Long-term debt, less current maturities and unamortized bond premium and issuance costs	149,624	40,064	14,002	59,078	262,768	3,360	-	22	-	-	-	266,150
Interest rate swap contracts	6,149	3,720	897	-	10,766	-	-	-	-	-	-	10,766
Medical professional liabilities	1,094	651	227	-	1,972	7,732	40,411	-	-	-	-	50,115
Other	122	23	26	426	597	340	-	-	-	-	-	937
	156,989	44,458	15,152	59,504	276,103	11,432	40,411	22	-	-	-	327,968
Total liabilities	192,665	60,968	19,900	84,367	357,900	145,688	41,374	937	50	2,156	(120,051)	428,054
Net assets:												
Common stock	-	-	-	-	-	-	120	1,100	-	-	(1,220)	-
SIHS controlling interest	38,607	43,629	24,208	567,750	674,194	(79,432)	15	(351)	-	(985)	819	594,260
Non-controlling interest	-	-	-	-	-	-	-	428	-	-	-	428
Total unrestricted net assets	38,607	43,629	24,208	567,750	674,194	(79,432)	135	1,177	-	(985)	(401)	584,638
Temporarily restricted	9	6	10	1,166	1,191	-	-	-	575	-	-	1,766
Total net assets	38,616	43,635	24,218	568,916	675,385	(79,432)	135	1,177	575	(985)	(401)	586,404
Total liabilities and net assets	\$ 231,281	\$ 104,603	\$ 44,118	\$ 653,283	\$ 1,033,285	\$ 66,256	\$ 41,509	\$ 2,114	\$ 625	\$ 1,171	\$ (120,452)	\$ 1,024,508

Southern Illinois Healthcare Enterprises, Inc.
 Combining Balance Sheet - Southern Illinois Hospital Services
 March 31, 2017
 (In Thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation, NFP	Quality Health Partners LLC	Eliminations	Total
Assets												
Current assets:												
Cash and cash equivalents	\$ 966	\$ 621	\$ 481	\$ 143	\$ 2,201	\$ 168	\$ 541	\$ 348	\$ 831	\$ 203	\$ -	\$ 4,292
Assets whose use is limited by trust agreement	115	20	12	59	206	3	-	-	-	-	-	209
Accounts receivable:												
Patients, net	80,876	35,567	20,566	-	137,009	15,275	-	763	-	-	-	153,047
Affiliates	-	-	-	83,868	83,868	636	-	-	-	-	(84,240)	254
Supplies	7,469	2,352	1,140	2,085	13,046	32	-	274	-	-	-	13,322
Prepaid expenses	1,044	339	107	6,411	7,901	1,423	12	50	-	-	-	9,386
Current portion of notes receivable	-	63	-	501	564	-	-	-	-	-	-	564
Other	447	240	55	854	1,596	156	-	-	-	520	-	2,272
Total current assets	90,907	39,202	22,361	93,911	246,381	17,693	553	1,435	831	723	(84,240)	183,376
Assets whose use is limited by:												
Board designation for capital improvements	-	-	-	387,346	387,346	-	-	-	-	-	-	387,346
Board designation for self-insurance	11,992	-	1,754	18,686	32,432	3,365	35,092	-	-	-	-	35,092
Trust agreement - Project funds	11,992	-	1,754	406,032	419,778	3,365	35,092	-	-	-	-	35,797
Property and equipment, net	140,167	64,275	19,333	55,175	278,950	26,213	-	167	-	-	-	305,330
Other assets:												
Investment in joint venture	1,609	1	-	401	2,011	-	-	-	-	-	(401)	1,610
Notes receivable, less current portion	-	40	-	-	40	208	-	-	-	-	-	248
Goodwill, net	-	1,232	-	-	1,232	12,760	-	765	-	-	-	14,757
Intangible assets, net	-	21	-	-	21	765	-	-	-	-	-	786
Other	226	190	-	2,950	3,366	7,041	5,654	-	-	-	-	16,061
	1,835	1,484	-	3,351	6,670	20,774	5,654	765	-	-	(401)	33,482
Total assets	\$ 244,901	\$ 104,961	\$ 43,448	\$ 558,469	\$ 951,779	\$ 68,045	\$ 41,299	\$ 2,367	\$ 831	\$ 723	\$ (84,641)	\$ 980,403

(Continued)

Southern Illinois Healthcare Enterprises, Inc.
 Combining Balance Sheet - Southern Illinois Hospital Services (Continued)
 March 31, 2017
 (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, NFP	Quality Health Partners LLC	Eliminations	Total
Liabilities and Net Assets												
Current liabilities:												
Current maturities of long-term debt	\$ 3,054	\$ 700	\$ 281	\$ 1,295	\$ 5,330	\$ -	\$ -	\$ 195	\$ -	\$ -	\$ -	\$ 5,525
Accounts payable:												
Construction contracts	1,375	687	26	-	2,088	-	-	-	-	-	-	2,088
Trade	7,272	3,904	1,920	10,352	23,448	1,151	129	301	-	-	(17)	25,012
Affiliates	-	-	-	-	-	82,732	201	18	21	1,320	(84,223)	69
Estimated third-party payor settlements	6,505	4,524	2,436	-	13,565	-	-	403	-	-	-	13,968
Accrued liabilities:												
Payroll and related expenses	7,940	4,916	1,642	5,315	19,213	10,692	-	53	-	-	-	29,968
Other	2,761	1,187	295	4,512	8,755	3,036	-	3	-	466	-	12,260
Total current liabilities	28,307	16,018	6,800	21,474	72,399	97,611	330	973	21	1,786	(84,240)	88,880
Long-term debt, less current maturities and unamortized bond issuance costs	143,727	38,188	13,753	60,409	256,077	3,364	-	89	-	-	-	259,530
Interest rate swap contracts	7,566	4,586	1,103	-	13,285	-	-	-	-	-	-	13,285
Medical professional liabilities	1,045	621	217	-	1,883	9,175	40,835	-	-	-	-	51,893
Other	87	16	27	297	427	328	-	-	-	-	-	755
	152,455	43,411	15,100	60,706	271,672	12,867	40,835	89	-	-	-	325,463
Total liabilities	180,762	59,429	21,700	82,180	344,071	110,478	41,165	1,062	21	1,786	(84,240)	414,343
Net assets:												
Common stock	-	-	-	-	-	-	120	1,100	-	-	(1,220)	-
SIHS controlling interest	64,139	45,487	21,747	475,839	607,212	(42,433)	14	(281)	6	(1,063)	819	564,274
Non-controlling interest	-	-	-	-	-	-	-	486	-	-	-	486
Total unrestricted net assets	64,139	45,487	21,747	475,839	607,212	(42,433)	134	1,305	6	(1,063)	(401)	564,760
Temporarily restricted	-	45	1	450	496	-	-	-	804	-	-	1,300
Total net assets	64,139	45,532	21,748	476,289	607,708	(42,433)	134	1,305	810	(1,063)	(401)	566,060
Total liabilities and net assets	\$ 244,901	\$ 104,961	\$ 43,448	\$ 558,469	\$ 951,779	\$ 68,045	\$ 41,299	\$ 2,367	\$ 831	\$ 723	\$ (84,641)	\$ 980,403

Southern Illinois Healthcare Enterprises, Inc.

Combining Statement of Operations - Southern Illinois Hospital Services
Year Ended March 31, 2018
(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, NFP	Quality Health Partners LLC	Eliminations	Total
Revenues:												
Patient service revenue, net	\$ 303,430	\$ 176,155	\$ 72,065	\$ -	\$ 551,650	\$ 78,679	\$ -	\$ 3,845	\$ -	\$ -	\$ -	\$ 634,174
Provision for bad debts	(10,162)	(6,572)	(3,010)	-	(19,840)	(2,860)	-	(105)	-	-	-	(25,826)
Net patient service revenue, less provision for bad debts	293,268	169,483	69,055	4	531,810	75,799	-	3,739	-	-	-	611,348
Other operating revenue	2,923	917	204	1,917	5,961	3,164	4,895	-	(805)	2,002	(4,473)	10,744
Meaningful use incentive revenue	58	-	-	-	58	893	-	-	-	-	-	951
Net assets released from restriction	-	45	1	118	164	-	-	-	805	-	-	969
Corporate allocation	1,131	673	235	(2,039)	-	-	-	-	-	-	-	-
Total revenues	297,380	171,118	69,495	-	537,993	79,856	4,895	3,739	-	2,002	(4,473)	624,012
Expenses:												
Salaries	67,510	45,808	13,777	37,157	164,252	76,256	-	964	-	351	-	241,823
Employee benefits	21,577	13,889	4,435	6,275	46,176	14,615	-	334	-	23	-	61,148
Physicians' fees	19,548	12,453	4,707	262	36,970	31,020	-	-	-	-	(31,456)	36,534
Professional fees	12,380	5,571	2,512	14,778	35,241	17,774	172	678	-	33	(8,105)	45,793
Purchased services	8,463	1,943	753	7,260	18,419	1,537	-	77	-	265	(4)	20,294
Patient chargeable supplies	28,692	11,675	1,855	-	42,222	867	-	-	-	-	-	43,089
Patient nonchargeable supplies	12,096	7,671	1,832	13	21,612	493	-	-	-	-	-	22,105
Drugs and pharmaceuticals	20,989	5,651	7,201	-	33,841	2,610	-	1,305	-	-	-	37,756
Other supplies	4,111	2,873	631	1,758	9,373	526	-	76	-	3	-	9,978
Rent	978	776	371	578	2,703	2,450	-	211	-	-	(2,587)	2,777
Repairs and maintenance	4,849	2,006	794	13,679	21,328	348	-	47	-	-	(17)	21,706
Insurance	1,807	1,066	366	498	3,737	4,776	-	27	-	-	(260)	14,109
Miscellaneous	9,534	3,247	1,254	5,165	19,200	(36,122)	88	5,829	6	-	37,966	22,467
Interest and amortization	4,545	1,863	464	2,681	9,573	538	-	13	-	-	-	10,124
Depreciation	14,705	7,482	2,793	12,107	37,087	1,860	-	84	-	-	-	39,051
Corporate allocation	56,728	33,730	11,754	(102,212)	-	-	-	-	-	-	-	-
Total expenses	288,512	157,724	55,499	(1)	501,734	119,568	6,089	3,905	6	1,924	(4,473)	623,754
Income (loss) from operations	8,868	13,394	13,996	1	36,259	(39,712)	(1,194)	(167)	(6)	78	-	(4,742)
Nonoperating gains (losses):												
Unrestricted gifts and interest income	4,377	1,074	665	47	6,163	605	-	39	-	-	-	6,807
Investment income and net realized and unrealized gains (losses) from investments	-	-	-	32,170	32,170	-	1,195	-	-	-	-	33,365
Equity in earnings of joint venture	17,879	10,631	3,705	(32,215)	1,244	-	-	-	-	-	-	1,244
Corporate allocation	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain in fair value of interest rate swap, not designated as hedging instruments	938	452	64	-	1,454	-	-	-	-	-	-	1,454
Loss on early extinguishment of debt	(5,479)	(2,642)	(374)	(1)	(8,495)	(45)	-	58	-	-	-	(8,495)
Other, net	(115)	(696)	-	(1)	(812)	(45)	-	-	-	-	-	(799)
Excess (deficiency) of revenues over expenses	18,409	9,254	4,060	1	31,724	560	1,195	97	-	-	-	33,576
Corporate allocation	27,277	22,648	18,056	2	67,983	(39,152)	1	(70)	(6)	78	-	28,834
Contributions for equipment	3	2	1	(6)	-	-	-	-	-	-	-	-
Contributions from affiliate	63	19	-	5	87	-	-	-	-	-	-	87
Unrealized gain in fair value of interest rate swap, designated as hedging instrument	(53,384)	(24,941)	(13,565)	91,910	-	-	-	-	-	-	-	-
Net asset transfer	509	414	142	-	1,065	-	-	-	-	-	-	1,065
Increase (decrease) in unrestricted net assets	\$(25,532)	\$(1,858)	\$ 2,461	\$ 91,911	\$ 66,992	\$ (36,999)	\$ 1	\$(70)	\$(6)	\$ 78	\$(4,473)	\$ 29,986

Southern Illinois Healthcare Enterprises, Inc.

Combining Statement of Operations - Southern Illinois Hospital Services
Year Ended March 31, 2017
(In Thousands)

	Memorial Hospital of Carbondale	Herrn Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	SIH Foundation, NFP	Quality Health Partners LLC	Eliminations	Total
Revenues:												
Patient service revenue, net	\$ 299,475	\$ 172,115	\$ 67,859	\$ -	\$ 539,449	\$ 76,511	\$ -	\$ 3,480	\$ -	\$ -	\$ -	\$ 619,440
Provision for bad debts	(14,296)	(10,895)	(4,539)	-	(29,727)	(6,110)	-	(95)	-	-	-	(39,932)
Net patient service revenue, less provision for bad debts	285,177	161,220	63,320	5	509,722	70,401	-	3,385	-	-	-	583,508
Other operating revenue	2,991	979	180	1,523	5,673	2,762	-	-	(885)	-	-	5,874
Meaningful use incentive revenue	1,534	1,517	-	-	3,051	904	-	-	-	-	-	3,955
Net assets released from restriction	23	-	41	483	547	-	-	-	885	-	-	1,432
Corporate allocation	1,116	664	231	(2,011)	-	-	-	-	-	-	-	-
Total revenues	290,841	164,380	63,772	-	518,993	74,067	5,584	3,385	-	2,025	(9,285)	594,769
Expenses:												
Salaries	64,706	44,261	12,961	29,881	151,809	60,609	-	934	-	335	-	213,687
Employee benefits	20,234	13,005	4,204	4,474	41,917	11,730	-	298	-	23	-	53,968
Physicians' fees	16,305	10,848	3,282	299	30,734	24,624	-	-	-	-	(19,286)	36,072
Professional fees	11,264	4,499	2,885	14,470	16,369	16,369	171	667	-	-	(7,203)	42,922
Purchased services	5,267	1,774	733	6,161	13,935	1,489	-	74	-	256	-	15,733
Patient chargeable supplies	30,626	11,714	2,219	-	44,559	473	-	-	-	-	-	45,032
Patient nonchargeable supplies	11,266	6,758	1,695	9	19,728	967	-	-	-	-	-	20,319
Drugs and pharmaceuticals	16,314	4,927	6,311	-	27,552	4,618	-	1,017	-	-	-	33,187
Other supplies	4,418	2,967	449	2,921	10,755	681	-	54	-	2	-	11,492
Rent	1,271	710	316	835	3,132	2,184	-	209	-	-	-	3,282
Repairs and maintenance	4,299	1,792	584	11,246	17,921	500	-	35	-	-	(2,243)	18,351
Insurance	4,621	2,710	914	493	8,738	4,519	-	32	-	-	(105)	14,400
Miscellaneous	9,126	3,159	1,273	4,636	18,194	(23,631)	6,695	82	-	-	(5,584)	21,182
Interest and amortization	4,280	2,108	456	399	7,243	732	-	9	-	1,205	-	7,984
Depreciation	13,801	6,823	2,503	9,725	32,852	1,755	-	104	-	-	-	34,711
Corporate allocation	47,480	28,231	9,838	(85,549)	-	-	6,948	3,508	-	1,821	(9,285)	572,318
Total expenses	265,278	146,286	50,423	-	461,987	107,339	6,948	3,508	-	1,821	(9,285)	572,318
Income (loss) from operations	25,563	18,094	13,349	-	57,006	(33,272)	(1,364)	(123)	-	204	-	22,451
Nonoperating gains (losses):												
Unrestricted gifts and interest income	1,661	571	417	17	2,686	245	-	18	6	-	-	2,955
Investment income and net realized and unrealized gains (losses) from investments	-	-	-	27,218	27,218	-	1,365	-	-	-	-	28,583
Equity in earnings of joint venture	784	422	-	-	1,206	-	-	-	-	-	-	1,206
Corporate allocation	15,110	8,984	3,132	(27,226)	-	-	-	-	-	-	-	-
Unrealized gain in fair value of interest rate swaps, not designated as hedging instruments	1,962	898	126	-	2,886	-	-	-	-	-	-	2,886
Other, net	(263)	(1,217)	(21)	(9)	(1,510)	(76)	-	48	-	-	-	(1,538)
	19,174	9,658	3,654	-	32,486	169	1,365	66	6	-	-	34,092
Excess (deficiency) of revenues over expenses	44,737	27,752	17,003	-	89,492	(33,103)	1	(57)	6	204	-	56,543
Corporate allocation	43	26	9	(78)	-	-	-	-	-	-	-	-
Contributions for equipment	679	-	44	78	801	-	-	-	-	-	-	801
Contributions from affiliate	(23,689)	(12,166)	(11,015)	46,870	-	-	-	-	-	-	-	-
Unrealized gain in fair value of interest rate swap, designated as hedging instrument	1,049	854	292	-	2,195	-	-	-	-	-	-	2,195
Net asset transfer	-	-	(1,677)	-	(1,677)	1,677	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	\$ 22,819	\$ 16,466	\$ 4,656	\$ 46,870	\$ 90,811	\$ (31,426)	\$ 1	\$ (57)	\$ 6	\$ 204	\$ -	\$ 59,539