

Introduction to the IRS Form 990 Schedule H

As a not-for-profit hospital, we operate for one purpose: to further our healing ministry. We do this by:

- Reinvesting our profits back into the communities through various programs and services
- Making sure that care is available to everyone — regardless of his or her ability to pay.
- Using compassion as the cornerstone our work to improve the health of our communities. Patients and their families are always treated as people first — attending to the needs of the whole person — body, mind, and spirit.
- Providing a range of special benefits to the community, such as programs to manage care for persons with chronic diseases, health education and disease prevention initiatives, outreach for the elderly, and care for persons who are poor or uninsured.

The IRS grants us tax exemption as a “charitable, community-oriented organization.” Without this status, we could not continue to deliver the same level of community benefits that are so important and necessary.

The federal government recently ruled that health care entities like ours report their community benefit programs. This includes a wide array of activities and services that need to be categorized and explained – in detail – on the following IRS form called “990 Schedule H.” This document requires us to report information on:

- Charity care (financial assistance) and other community benefits
- Community building activities
- Medicare, bad debt and collection practices
- Management companies and joint ventures
- Facilities comprising the organization

The following terms and definitions will help you better understand each section of the report. Should you choose to not print the document, you can also hover your computer’s mouse over the terms for a brief definition.

PART I: Charity Care and Certain Other Community Benefit at Cost

1a Charity Care Policy: A Trinity Health Ministry Organization's designated procedure/methodology for classifying patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. Care is then provided without charge, or at amounts less than the established rates. Because Trinity Health does not pursue collection of amounts determined to qualify for charity care, they are not reported as net patient service revenue in the consolidated statements of operations and changes in net assets. The cost of charity care is calculated using a cost-to-charge ratio methodology.

3 Charity Care Eligibility: A patient's ability to meet Trinity Health-specified qualifications/criteria to receive financial assistance for medical care, based on the Ministry Organization's official Charity Care Policy.

3a Federal Poverty Guidelines (FPGs): Issued annually by the Department of Health and Human Services (HHS). FPGs are a simplification of the government's designated "federal poverty thresholds," which are highly statistical to calculate the number of Americans living in poverty each year. FPGs are more administrative, and help determine financial eligibility for certain federal programs. The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

4 Medically indigent: Persons whom the organization has determined are unable to pay some or all of their medical bills because the bills exceed a certain percentage of their family income and/or assets (e.g., due to catastrophic costs or conditions), even though they have income or assets that otherwise exceed the generally applicable eligibility requirements for free or discounted care under the organization's Charity Care Policy.

6a annual community benefit report: Published each fall within Trinity Health's Annual Report, this is a detailed account of all costs associated with dedicated staff, community health needs and/or asset assessments, as well as other costs associated with community benefit strategy and operations.

7a Charity care at cost: Free or discounted health care services provided to persons who meet the organization's criteria for financial assistance and are therefore deemed unable to pay for all or a portion of such services.

7b Unreimbursed Medicaid: When Medicaid, a state health care program for qualifying low-income residents, does not reimburse Trinity Health for the full cost of health care services provided to patients. Trinity Health then "absorbs" these costs at a financial loss.

7c Unreimbursed costs – Other means-tested government programs: Government programs for which eligibility for benefits or coverage is determined by the recipient's income or asset level. (e.g., The State Children's Health Insurance Program (SCHIP) is a means-tested government program.)

7e Community health improvement services and community benefit operations:

The activities to be reported on this line are two different categories of activities:

1. **Community health improvement services:** Activities and services for which no patient bill exists. These services are not expected to be financially self-supporting, although some may be supported by outside grants or funding. Some examples include free clinic services, programs directed at improving women's health, free or low cost prescription medications, and rural and urban outreach programs. The Ministry Organization actively collaborates with community groups and agencies to assist those in need in providing such services.
2. **Community Benefit Operations:** Costs associated with dedicated staff, community health needs and or assets assessments, and other costs associated with community benefit strategy and operations.

7f Health professions education: Programs that result in a degree, certificate, or training that is necessary to be licensed to practice as a health professional, as required by state law; or continuing education that is necessary to retain state license or certification by a board in the individual's health profession specialty.

7g Subsidized health services: Clinical services that are provided, despite a financial loss to the organization. The financial loss is measured after removing losses, measured by cost, associated with bad debt, charity care, Medicaid and other means-tested government programs. Despite the financial loss, the service is provided because:

1. It meets an identified community need, such as providing needed access to care for low-income individuals
2. If the service were no longer offered, access to health services would be impaired, or
3. Providing the service would become the responsibility of government or another tax-exempt organization.

7h Research: Any study or investigation of which the goal is to generate generalized knowledge made available to the public, such as knowledge about:

1. Underlying biological mechanisms of health and disease, natural processes or principles affecting health or illness;
2. Evaluation of safety and efficacy of interventions for disease such as clinical trials and studies of therapeutic protocols;
3. Laboratory based studies; epidemiology, health outcomes and effectiveness
4. Behavioral or sociological studies related to health, delivery of care, or prevention
5. Studies related to changes in the health care delivery system; and
6. Communication of findings and observations (including publication in a medical journal)

This category only includes research internally funded or research funded by a tax-exempt or government entity.

7i Cash and in-kind contributions to community groups: Cash contributions made to entities and community groups that share the organization's goals and mission. In-kind contributions include the cost of hours donated by staff to the community while on the organization's payroll, indirect cost of space donated to tax-exempt community groups (such as for meetings), and the financial value of donated food, equipment, and supplies.

PART II Community Building Activities Community Building activities include programs that address the root causes of health problems, such as poverty, homelessness and environmental problems. They support community assets by offering the expertise and resources of the health care organization.

1. **Physical improvements and housing** (Examples include: Community gardens; neighborhood improvement and revitalization projects; contributions to community-based assisted living and senior and low-income housing projects)
2. **Economic development** (Examples include: Assisting small business development in neighborhoods with vulnerable populations and creating new employment opportunities in areas with high rates of joblessness; participation in an economic/labor development council; chamber of commerce or Rotary Club)
3. **Community support** (Examples include: Childcare and mentoring programs for vulnerable populations or neighborhoods; neighborhood support groups; violence prevention programs; disaster readiness and public health emergency activities)
4. **Environmental improvements** (Examples include: Efforts to reduce community environmental hazards in the air; water and ground; residential improvements; such as helping to paint public housing apartments; or lead/radon programs; Neighborhood/community improvements; Adopt-a-Road)
5. **Leadership development and training for community members** (Examples include: Life or civic skills training programs; medical interpreter training for community members; community leadership development; cultural skills training)
6. **Coalition building** (Examples include: Hospital representation to community coalitions related to community health; Disease management programs; Collaborative partnerships with community groups to improve community health)
7. **Community health improvement advocacy** (Examples include: Local, state and national advocacy on behalf of such areas as: access to health care, public health, transportation, housing; Advocacy for social justice and human rights, including costs associated with advocating for social justice, environmental responsibility and human rights, such as fair treatment to workers)
8. **Workforce development** These programs address community-wide workforce issues — not the workforce needs of the health care organization. (Examples include: Physician/other health professional recruitment for areas identified by the government as medically underserved; Partnerships with community colleges and universities to address the health care workforce shortage; School-based programs on health care careers; Health care career mentoring projects)

Part VI: Supplemental Information

2 Needs assessment Trinity Health's designated evaluation process that involves the hospital assessing the health care needs of the community it serves by periodically

consolidating data and perspectives about the health and social needs of the community. The assessment data assists in the development of a plan for the entire community, with a linkage between the organization's mission and strategic plan, with special attention given to those most in need. A needs assessment is performed by the hospital in partnership with the community, or as a result of other agencies (e.g. public health or private such as United Way). If the hospital cannot perform the assessment, an outside vendor conducts it, then supplies the results.

3 Patient education of eligibility for assistance 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 charity care policy.

4 Community information Describes the geographic area (e.g., urban, suburban, rural), the demographics of the community or communities (e.g., population, average income, percentages of community residents with incomes below the federal poverty guideline, percentage of the hospital's and community's patients who are uninsured or Medicaid recipients), the number of other hospitals serving the community or communities, and whether one or more federally-designated medically underserved areas or populations are present in the community.

5 Community building activities Includes programs that address the root causes of health problems, such as poverty, homelessness and environmental problems. They support community assets by offering the expertise and resources of the health care organization.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2009

Department of the Treasury
Internal Revenue Service

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

**Open to Public
Inspection**

Name of the organization **TRINITY HEALTH - MICHIGAN** Employer identification number **38-2113393**

Part I Charity Care and Certain Other Community Benefits at Cost

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
1b If "Yes," is it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
3b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	<input checked="" type="checkbox"/>	
5b If "Yes," did the organization's charity care expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
5c 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 Does the organization prepare an annual community benefit report?	<input checked="" type="checkbox"/>	
6b If "Yes," does the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)	1	17,265	8439635.		8439635.	2.38%
b Unreimbursed Medicaid (from Worksheet 3, column a)	1	65,162	47484527.	36922210.	10562317.	2.98%
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)	4	588	1865417.	737,296.	1128121.	.32%
d Total Charity Care and Means-Tested Government Programs	6	83,015	57789579.	37659506.	20130073.	5.68%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	28	340,115	8121408.	1566217.	6555191.	1.85%
f Health professions education (from Worksheet 5)	2	295	11574665.	9829004.	1745661.	.49%
g Subsidized health services (from Worksheet 6)	3	5,412	1759929.	636,741.	1123188.	.32%
h Research (from Worksheet 7)	1		19,222.		19,222.	.01%
i Cash and in-kind contributions to community groups (from Worksheet 8)	7		439,455.		439,455.	.12%
j Total. Other Benefits	41	345,822	21914679.	12031962.	9882717.	2.79%
k Total. Add lines 7d and 7j	47	428,837	79704258.	49691468.	30012790.	8.47%

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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						
2 Economic development						
3 Community support	1	1	45,608.		45,608.	.01%
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	1	1	45,608.		45,608.	.01%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		X
2 Enter the amount of the organization's bad debt expense (at cost)		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	127,960,103.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	107,830,795.
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7	20,129,308.
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 Does the organization have a written debt collection policy?	9a	X
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	X

Part IV Management Companies and Joint Ventures

(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 WATERFORD SURGICAL				
2 CENTER, LLC	SURGICAL CENTER	40.00%		54.65%
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
ST. JOSEPH MERCY OAKLAND 44405 WOODWARD AVE PONTIAC, MI 48341	X	X		X			X		
MERCY MEDICAL GROUP-LAKE ORION 1375 S LAPEER RD LAKE ORION, MI 48360									URGENT CARE, LAB, IMAGING,
MERCY MEDICAL GROUP-LAKE ORION (CONT'D) 1375 S LAPEER RD LAKE ORION, MI 48360									EMPLOYED PHYSICIANS
ALICE GUSTAFSON AMBULATORY SURGERY CENTE 155 FULTON ST PONTIAC, MI 48341									AMBULATORY SURGICAL CNTR, IMAGING
MERCY MEDICAL GROUP-BLOOMFIELD HILLS OB/ 1750 TELEGRAPH RD BLOOMFIELD HILLS, MI 48302									EMPLOYED PHYSICIANS
MERCY MEDICAL GROUP-ROCHESTER 1854 W AUBURN RD ROCHESTER HILLS, MI 48309									EMPLOYED PHYSICIANS
MERCY MEDICAL GROUP-OAKLAND PHYSICIANS 2520 S TELEGRAPH RD BLOOMFIELD HILLS, MI 48302									EMPLOYED PHYSICIANS, LAB
KAROTECH BUILDING 2630 UNION LAKE RD COMMERCE TOWNSHIP, MI 48382									EMPLOYED PHYSICIANS, LAB, REHAB
AUBURN HILLS REHABILITATION CENTER 2721 UNIVERSITY DR AUBURN HILLS, MI 48326									REHAB
SLEEP DISORDERS CLINIC 3100 CROSS CREEK PKWY AUBURN HILLS, MI 48341									SLEEP CLINIC
LAKE ORION REHABILITATION CENTER 3800 BALDWIN RD ORION TOWNSHIP, MI 48359									REHAB
OUTPATIENT REHABILITATION CENTER 4700 INVESTMENT DR TROY, MI 48098									REHAB
CLINICA SANTA TERESA / MERCY PLACE 55 CLINTON ST PONTIAC, MI 48342									OUTPATIENT CLINIC
WATERFORD URGENT CARE CENTER 5800 HIGHLAND RD WATERFORD, MI 48327									URGENT CARE, LAB,
WATERFORD URGENT CARE CENTER (CONT'D) 5800 HIGHLAND RD WATERFORD, MI 48327									EMPLOYED PHYSICIANS
CLARKSTON OB/GYN 6770 DIXIE HWY CLARKSTON, MI 48346									EMPLOYED PHYSICIANS

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 6A: ST. JOSEPH MERCY OAKLAND REPORTS ITS COMMUNITY

BENEFIT INFORMATION AS PART OF THE CONSOLIDATED COMMUNITY BENEFIT

INFORMATION REPORTED BY TRINITY HEALTH IN ITS ANNUAL REPORT, AVAILABLE AT

WWW.TRINITY-HEALTH.ORG.

IN ADDITION, ST. JOSEPH MERCY OAKLAND INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON BOTH ITS OWN WEBSITE AND TRINITY HEALTH'S WEBSITE.

PART I, LINE 7: THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN ITEM 7. FOR CERTAIN CATEGORIES, PRIMARILY TOTAL CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS, SPECIFIC COST-TO-CHARGE RATIOS WERE CALCULATED AND APPLIED TO THOSE CATEGORIES. THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES. IN OTHER CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM THE HOSPITAL'S COST ACCOUNTING SYSTEM.

PART I, LINE 7F: THE FOLLOWING NUMBER, \$10,960,062, REPRESENTS THE AMOUNT OF BAD DEBT EXPENSE INCLUDED IN TOTAL FUNCTIONAL EXPENSES IN FORM 990, PART IX, LINE 25. PER IRS INSTRUCTIONS, THIS AMOUNT WAS EXCLUDED FROM THE DENOMINATOR WHEN CALCULATING THE PERCENT OF TOTAL EXPENSE FOR SCHEDULE H, PART I, LINE 7, COLUMN (F).

Part VI Supplemental Information

PART III, LINE 4: ST. JOSEPH MERCY OAKLAND IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH. THE FOLLOWING IS THE TEXT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOOTNOTE FROM THOSE STATEMENTS: "SUBSTANTIALLY ALL OF THE CORPORATION'S RECEIVABLES ARE RELATED TO PROVIDING HEALTHCARE SERVICES TO PATIENTS. ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR AMOUNTS THAT COULD BECOME UNCOLLECTIBLE IN THE FUTURE. THE CORPORATION'S ESTIMATE FOR ITS ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS BY PAYOR."

COSTING METHODOLOGY FOR LINES 2 AND 3: AMOUNTS ARE CALCULATED ON LINE 2 USING A COST TO CHARGE RATIO METHODOLOGY.

ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND ARE THUS NOT INCLUDED IN BAD DEBT EXPENSE. AS A RESULT OF THE PAYMENT AND ADJUSTMENT ACTIVITY BEING POSTED TO BAD DEBT ACCOUNTS, WE ARE ABLE TO REPORT BAD DEBT EXPENSE NET OF THESE TRANSACTIONS.

OTHER BAD DEBTS INCLUDED IN COMMUNITY BENEFIT ARE BASED ON THE NUMBER OF ACCOUNTS THAT OUR COLLECTION AGENCY DETERMINED MAY HAVE QUALIFIED FOR CHARITY HAD THEY COMPLETED THE CHARITY DOCUMENTATION PROCESS.

PART III, LINE 8: SIMILAR TO CHA RECOMMENDATIONS, WHICH STATE THAT SERVING MEDICARE PATIENTS IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTHCARE ORGANIZATIONS AND THAT THE EXISTING COMMUNITY BENEFIT FRAMEWORK ALLOWS COMMUNITY BENEFIT PROGRAMS THAT SERVE THE MEDICARE POPULATION TO BE

Part VI Supplemental Information

COUNTED IN OTHER COMMUNITY BENEFIT CATEGORIES, ST. JOSEPH MERCY OAKLAND DOES NOT BELIEVE ANY MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT.

PART III, LINE 8: COSTING METHODOLOGY FOR LINE 6 - MEDICARE COSTS WERE OBTAINED FROM THE FILED MEDICARE COST REPORT. THE COSTS ARE BASED ON MEDICARE ALLOWABLE COSTS AS REPORTED ON WORKSHEET B, COLUMN 27, WHICH EXCLUDE DIRECT MEDICAL EDUCATION COSTS. INPATIENT MEDICARE COSTS ARE CALCULATED BASED ON A COMBINATION OF ALLOWABLE COST PER DAY TIMES MEDICARE DAYS FOR ROUTINE SERVICES AND COST TO CHARGE RATIO TIMES MEDICARE CHARGES FOR ANCILLARY SERVICES. OUTPATIENT MEDICARE COSTS ARE CALCULATED BASED ON COST TO CHARGE RATIO TIMES MEDICARE CHARGES BY ANCILLARY DEPARTMENT.

PART III, LINE 9B: THE ORGANIZATION'S COLLECTION POLICY CONTAINS THE CRITERIA FOR FINANCIAL ASSISTANCE, AND CONTAINS THE FOLLOWING VERBIAGE FOR ARRANGEMENTS WITH OUTSIDE COLLECTION AGENCIES: THE AGREEMENT MUST DEFINE THE STANDARDS AND SCOPE OF PRACTICES TO BE USED BY OUTSIDE COLLECTION AGENTS ACTING ON BEHALF OF THE MINISTRY ORGANIZATION, ALL OF WHICH MUST BE IN COMPLIANCE WITH THIS POLICY.

PART VI, LINE 2: NEEDS ASSESSMENT - ST. JOSEPH MERCY OAKLAND (SJMO) ASSESSES THE HEALTH NEEDS OF THE COMMUNITY THROUGH COMMUNITY NEEDS ASSESSMENTS EVERY THREE YEARS. A COMMUNITY NEEDS ASSESSMENT IS A POINT-IN-TIME EFFORT TO MEASURE THE HEALTH AND WELL BEING OF THE COMMUNITY. IT SERVES AS THE BASIS FOR ST. JOSEPH MERCY OAKLAND'S STRATEGIC AND SUBSEQUENT ACTION PLANNING TO DEVELOP HEALTH POLICY, ALLOCATE RESOURCES, IMPROVE OR EXPAND EXISTING SERVICES, IMPLEMENT NEW PROGRAMS AND COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS. A

Part VI Supplemental Information

COMMUNITY NEEDS ASSESSMENT ALSO SERVES AS A BENCHMARK FOR FUTURE ASSESSMENT OF RELATIVE PROGRESS TOWARD ESTABLISHED COMMUNITY HEALTH OBJECTIVES.

THE SJMO COMMUNITY NEEDS ASSESSMENT PROVIDES THE OPPORTUNITY TO:

- GAIN INSIGHTS INTO THE NEEDS AND ASSETS OF THE COMMUNITIES SERVED

- IDENTIFY AND ADDRESS THE NEEDS OF VULNERABLE POPULATIONS WITHIN THE

COMMUNITY

- ENHANCE HOSPITAL/COMMUNITY RELATIONSHIPS AND THE OPPORTUNITY FOR

COLLABORATIVE COMMUNITY ACTION, INCLUDING INVOLVEMENT WITH COALITIONS, PARTNERSHIPS, BOARDS, COMMITTEES, COMMISSIONS, ADVISORY GROUPS AND PANELS

- PROVIDE THE INFORMATION REQUIRED FOR COMMUNITY OUTREACH PLANNING

THE SJMO COMMUNITY NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA: QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC.) AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS). THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES.

THE SJMO COMMUNITY NEEDS ASSESSMENT IS CURRENT AS OF JANUARY 2007. THE FY 2011 NEEDS ASSESSMENT IS IN PROGRESS, AND WILL BE COMPLETED BY JUNE 30, 2011. ONCE COMPLETED, THE ASSESSMENT REPORT WILL BE AVAILABLE TO THE COMMUNITY UPON REQUEST.

PART VI, LINE 3: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - SJMO IS COMMITTED TO:

- PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIGNITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED

Part VI Supplemental Information

IN OUR COMMUNITIES

- CARING FOR ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES

- ASSISTING PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE

- BALANCING NEEDED FINANCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAIN VIABILITY AND PROVIDE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITY

IN ACCORDANCE WITH AHA RECOMMENDATIONS, SJMO HAS ADOPTED THE FOLLOWING GUIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPORT FUNCTIONS FOR OUR PATIENTS:

- PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS

- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FINANCIAL SUPPORT PROGRAMS

- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS

- IMPLEMENT POLICIES FOR ASSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER

- IMPLEMENT FAIR AND CONSISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONS

SJMO COMMUNICATES EFFECTIVELY WITH PATIENTS REGARDING PATIENT PAYMENT OBLIGATIONS. FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS. INFORMATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE.

Part VI Supplemental Information

FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY ASSIST THEM IN OBTAINING AND PAYING FOR HEALTHCARE SERVICES. A DEPARTMENT OF HUMAN SERVICES WORKER IS AVAILABLE ON-SITE TO ASSIST PATIENTS WITH MEDICAID AND MEDICARE APPLICATIONS. EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE. HOWEVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE.

SJMO OFFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS. THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE. NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE THROUGH, BUT ARE NOT LIMITED TO, THE PUBLICATION OF PATIENT BROCHURES, NOTICES OR MESSAGING INCLUDED ON PATIENT BILLS, POSTING OF NOTICES IN PUBLIC REGISTRATION AREAS INCLUDING EMERGENCY ROOMS, ADMITTING AND REGISTRATION DEPARTMENTS, HOSPITAL PATIENT ACCOUNTING DEPARTMENTS, AND OTHER PATIENT FINANCIAL SERVICES OFFICES THAT ARE LOCATED ON FACILITY CAMPUSES.

SUMMARIES OF HOSPITAL PROGRAMS ARE MADE AVAILABLE TO MANY ORGANIZATIONS, INCLUDING OAKLAND MINISTERIAL ASSOCIATION, DEPARTMENT OF HEALTH, OAKLAND LIVINGSTON HUMAN SERVICE AGENCY, CARE HOUSE OF OAKLAND COUNTY, PONTIAC SCHOOL DISTRICT AND THE PONTIAC SUMMIT GROUP. INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS ALSO AVAILABLE ON THE HOSPITAL WEBSITE, IN THE ADMISSION PACKAGE DURING REGISTRATION, IN PATIENT BILLING STATEMENTS, AND THROUGH FINANCIAL COUNSELING. IN ADDITION TO ENGLISH, THIS INFORMATION IS ALSO AVAILABLE IN SPANISH, REFLECTING THE OTHER PRIMARY LANGUAGE SPOKEN BY THE POPULATION SERVED BY OUR HOSPITAL.

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SJMO HAS ESTABLISHED A WRITTEN POLICY FOR THE BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS. SJMO MAKES EVERY EFFORT TO ADHERE TO THE POLICY AND IS COMMITTED TO IMPLEMENTING AND APPLYING THE POLICY FOR ASSISTING PATIENTS WITH LIMITED MEANS IN A PROFESSIONAL, CONSISTENT MANNER. SJMO EDUCATES STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS (INCLUDING THOSE WORKING IN PATIENT REGISTRATION AND ADMITTING, FINANCIAL ASSISTANCE, CUSTOMER SERVICE, BILLING AND COLLECTIONS) ABOUT THESE POLICIES WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT REGARDLESS OF THEIR INSURANCE STATUS OR THEIR ABILITY TO PAY FOR SERVICES. SJMO HAS IMPLEMENTED AN INTENSIVE TRAINING PROGRAM CALLED "JOURNEY INTENSIVE," A THREE-DAY PROGRAM FOR ALL EMPLOYEES THAT EMPHASIZES TREATING PATIENTS, VISITORS, AND STAFF WITH DIGNITY AND RESPECT.

PART VI, LINE 4: COMMUNITY INFORMATION - SJMO SERVES ALL OF OAKLAND COUNTY NORTH OF TEN MILE ROAD. IT IS AN AREA OF SUBURBAN AND RURAL COMMUNITIES. IN PONTIAC, WHERE OUR MOST SIGNIFICANT MARKET SHARE GAINS HAVE BEEN MADE IN THE LAST FIVE YEARS, THERE ARE TWO OTHER HOSPITALS, DOCTORS HOSPITAL OF MICHIGAN, WHICH HAS DOWNSIZED SIGNIFICANTLY TO A VERY SMALL FOR-PROFIT, DOCTOR-OWNED FACILITY WITH FEW PATIENTS, AND THE NOT-FOR-PROFIT PONTIAC OSTEOPATHIC HOSPITAL MEDICAL CENTER. LOCATED WITHIN THE REMAINDER OF OUR TARGET COMMUNITY ARE THE FOLLOWING NOT-FOR-PROFIT FACILITIES: WILLIAM BEAUMONT HOSPITAL, HENRY FORD HEALTH-WEST BLOOMFIELD, HURON VALLEY-SINAI HOSPITAL, PROVIDENCE PARK HOSPITAL, PROVIDENCE HOSPITAL AND CRITTENTON HOSPITAL. HENRY FORD MACOMB, WHILE NOT IN OAKLAND COUNTY, ALSO DRAWS PATIENTS FROM OUR SERVICE AREA POPULATION.

THE ECONOMY ACROSS THE STATE OF MICHIGAN IS WEAK. UNEMPLOYMENT CONTINUES

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TO FUEL OUT-MIGRATION, AND PROJECTIONS INDICATE THAT OAKLAND COUNTY WILL CONTINUE TO STRUGGLE TO DEVELOP EMPLOYMENT OPPORTUNITIES. THIS, FACTORED IN WITH THE LOSS OF NUMEROUS JOBS AND ACCOMPANYING BENEFITS IN THE AUTOMOTIVE INDUSTRY, HAS LED TO OTHER STRESS INDUCERS, INCLUDING UNPRECEDENTED NUMBERS OF BANKRUPTCIES AND FORECLOSURES. THESE NOW AFFECT NOT ONLY THE LONG-TERM POOR AND UNINSURED, BUT ALSO THOSE WHO HAVE TRADITIONALLY BEEN WELL-EMPLOYED. THIS REALITY HAS A NOTABLE IMPACT ON BOTH THE HEALTH OF INDIVIDUALS AND ON HEALTH CARE DELIVERY. EMPLOYERS THAT HAVE NOT CUT HEALTH CARE BENEFITS ALTOGETHER, CONTINUE TO ENGAGE IN AGGRESSIVE COST SHIFTING THROUGH HIGHER CO-PAYS AND HIGH DEDUCTIBLE HEALTH PLANS.

IN PONTIAC, THE POOREST NEIGHBORHOOD IN OUR SERVICE AREA, 22% OF THE POPULATION IS WITHOUT HEALTH INSURANCE, INCLUDING MEDICARE OR MEDICAID. PONTIAC IS A FEDERALLY-DESIGNATED MEDICALLY UNDERSERVED AREA, WITH A POPULATION OF 66,300. FORTY-SEVEN PERCENT OF ITS CHILDREN LIVE IN POVERTY.

MOST OF SJMO COMMUNITY HEALTH BENEFIT INITIATIVES THUS FOCUS ON PONTIAC. IN PONTIAC THE UNEMPLOYMENT RATE IS A STAGGERING 29.1%, WHILE THE RATE FOR OAKLAND COUNTY IS 12.2%; FOR ALL OF MICHIGAN IS 12.8%; AND ACROSS THE UNITED STATES AS OF NOVEMBER 2010 IS AT 9.80%. THE MEDIAN PER HOUSEHOLD INCOME IN PONTIAC IS ONLY \$40,239. IN OAKLAND COUNTY IT IS \$68,500; FOR ALL OF MICHIGAN IT IS \$56,740; AND ACROSS THE UNITED STATES IS \$51,425. EVEN MORE INDICATIVE OF PONTIAC'S UNIQUE NEED AND RELATIVE POVERTY IN OUR SERVICE AREA IS THE CITY OF BIRMINGHAM, JUST EIGHT MILES TO THE SOUTH, WHERE THE MEDIAN HOUSEHOLD INCOME IS MORE THAN DOUBLE THAT OF PONTIAC, AT \$93,440.

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OAKLAND IS THE BEST-EDUCATED COUNTY IN MICHIGAN - 43% OF THOSE AGED 25 AND OVER HAVE A BACHELOR'S DEGREE OR HIGHER, COMPARED TO 21.1% ACROSS THE STATE. ONLY 10.3% OF THOSE IN PONTIAC HAVE COLLEGE DEGREES, WHILE IN BIRMINGHAM, THE FIGURE IS 69.51%. SUCH DISCREPANCIES CORRESPOND, FOR THE MOST PART, WITH ETHNIC VARIANCES. THE CITY OF PONTIAC REPORTS ITS POPULATION TO BE 25.1% WHITE AND 47.4% AFRICAN AMERICAN. ACCORDING TO THE U.S. CENSUS BUREAU, THE 2009 POPULATION OF OAKLAND COUNTY WAS 79.9% WHITE, AND 12.8% AFRICAN AMERICAN. THE WHITE POPULATION OF BIRMINGHAM IS 96.1%, AND THE AFRICAN AMERICAN POPULATION ONLY 1%.

THE ABOVE SETS OF DATA (UNEMPLOYMENT, EDUCATION, AND RACE) DO NOT STAND INDEPENDENT OF ONE ANOTHER. PONTIAC'S FAR LOWER LEVEL OF EDUCATION, EMPLOYMENT, AND HOUSEHOLD INCOME IS A FACTOR THAT DIRECTLY CORRESPONDS TO THE PERCENTAGE OF THE PONTIAC POPULATION WITHOUT HEALTH INSURANCE, AND THE CONSEQUENT SERIOUS HEALTH ISSUES, SUCH AS OBESITY, DIABETES, CARDIOVASCULAR DISEASE, POOR DENTAL CARE, AND INFANT MORTALITY. THIS REALITY JUSTIFIES THE FOCUS OF THE COMMUNITY BENEFIT ACTIVITIES OF ST. JOSEPH MERCY OAKLAND ON THE IMMEDIATE PONTIAC AREA.

PART VI, LINE 5: COMMUNITY BUILDING ACTIVITIES - BIOTERRORISM
ACTIVITIES OF ST. JOSEPH MERCY OAKLAND ARE MANDATED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, IN ORDER TO PROMOTE AND PROTECT THE HEALTH AND WELFARE OF MEMBERS OF OUR COMMUNITY IN THE FACE OF TERRORISM: CHEMICAL, BIOLOGICAL, NUCLEAR, ETC. ALL MEMBERS OF OUR SERVICE COMMUNITY WOULD BENEFIT FROM OUR READINESS AS A SUBGROUP OF MICHIGAN REGION II NORTH. THOUGH IT IS HOPED THAT THESE SERVICES WILL NEVER BE NEEDED, THE SIMPLE FACT OF OUR READINESS - INCLUDING BUT NOT LIMITED TO TRAINING, EDUCATION, SUPPLIES, EQUIPMENT, REGISTRATION PROTOCOLS, PERSONAL

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PROTECTIVE EQUIPMENT, AND PHARMACEUTICAL CACHES - IS A PUBLIC HEALTH GOOD. THE CONSEQUENCES OF BEING UNPREPARED MAKE IT A PUBLIC HEALTH PRIORITY. TOGETHER WITH OTHER HOSPITALS AND PUBLIC SERVICE AGENCIES IN REGION II NORTH, WE CONSTANTLY PREPARE OURSELVES TO MEET THE NEEDS OF OUR COMMUNITIES WHEN THREATS OCCUR. REGION II NORTH, ALONG WITH OTHERS ACROSS THE STATE AND THE NATION, WORKS IN A COORDINATED MANNER TO MAXIMIZE EFFECTIVENESS AND MINIMIZE CONFUSION AND MISUSE OF PRECIOUS EMERGENCY RESOURCES. OUR MUTUAL GOAL IS TO EDUCATE HEALTH CARE PROFESSIONALS AND THE PUBLIC; TO IMPROVE ACCESS TO HEALTHCARE WHEN IT IS MOST NEEDED; TO MAINTAIN PUBLIC HEALTH IN DIRE CIRCUMSTANCES; AND WORK TOGETHER AT THE LOCAL LEVEL TO MINIMIZE STRATEGIC AND FINANCIAL STRAIN ON HIGHER LEVELS OF GOVERNMENT. THE SOLE PURPOSE OF THIS ENDEAVOR IS THE WELL-BEING OF OUR COMMUNITY.

PART VI, LINE 6: OTHER INFORMATION - SJMO HAS DEVELOPED A SCHOOL AT WORK PROGRAM THAT IDENTIFIES HOSPITAL ASSOCIATES WHO ARE AT THE LOWER END OF THE PAY SCALE, AND WORKS WITH THEM TO CREATE CAREER LADDERS TO POSITION THEM FOR UPWARDLY MOBILE HEALTHCARE JOBS AND CAREERS. MORE IMPORTANTLY, THE HOSPITAL PARTNERS WITH LOCAL COLLEGES AND UNIVERSITIES TO PROVIDE CLASSES AND COURSEWORK TO IMPROVE THE LITERACY AND EDUCATIONAL STANDING OF THESE ASSOCIATES. EXTERNALLY, SJMO EDUCATES THE COMMUNITY ON FINANCIAL LITERACY AND BUDGETING THROUGH ITS HEALTHY START PROGRAM. THIS FISCAL YEAR WE HAVE BEGUN WORKING WITH LOCAL PRIMARY SCHOOL CHILDREN IN PONTIAC, TO ENCOURAGE THEM NOW TO "THINK BIG," TOWARD FUTURE CAREERS IN HEALTH CARE, WITH THE OBJECTIVE OF ENCOURAGING THEM TO CONSIDER ACADEMIC ACHIEVEMENT TO BE A GOOD THING, WITH A SPECIFIC, ATTAINABLE, CAREER GOAL THAT THEY CAN WORK TOWARD AND ACHIEVE WITH THE RIGHT ATTITUDE.

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PART VI, LINE 7: ST. JOSEPH MERCY OAKLAND IS A MEMBER ORGANIZATION OF TRINITY HEALTH, THE FOURTH-LARGEST CATHOLIC HEALTH CARE SYSTEM IN THE COUNTRY. BASED IN NOVI, MICHIGAN, TRINITY HEALTH ANNUALLY REQUIRES THAT ALL MEMBER ORGANIZATIONS DEVELOP, AND ARE HELD ACCOUNTABLE FOR ACHIEVING, COMMUNITY BENEFIT GOALS THAT INCLUDE DEVELOPING NEEDED SERVICES OR EXPANDING ACCESS TO SERVICES FOR LOW-INCOME INDIVIDUALS. AS A NOT-FOR-PROFIT HEALTH SYSTEM, TRINITY HEALTH REINVESTS ITS PROFITS BACK INTO THE COMMUNITY THROUGH PROGRAMS TO SERVE THE POOR AND UNINSURED, MANAGE CHRONIC CONDITIONS LIKE DIABETES, HEALTH EDUCATION AND PROMOTION INITIATIVES, AND OUTREACH FOR THE ELDERLY. IN FISCAL YEAR 2010, THIS INCLUDED NEARLY \$456 MILLION IN SUCH COMMUNITY BENEFITS. THEREFORE, TRINITY HEALTH TAKES A SYSTEMS APPROACH IN ITS COMMUNITY BENEFIT PLANNING AND IMPLEMENTATION, AND IS CONSEQUENTLY ABLE TO ENSURE THAT ITS MEMBER HOSPITALS AND OTHER ENTITIES/AFFILIATES ARE HELPING PROMOTE AND ADDRESS THE HEALTH NEEDS OF THEIR RESPECTIVE COMMUNITIES.

FOR MORE INFORMATION ABOUT TRINITY HEALTH, VISIT WWW.TRINITY-HEALTH.ORG.