

PUBLIC DISCLOSURE COPY

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2023

Department of the Treasury Internal Revenue Service

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.

Open to Public Inspection

A For the 2023 calendar year, or tax year beginning, 2023, and ending, 20

B Check if applicable: [] Address change [] Name change [] Initial return [] Final return/terminated [] Amended return [] Application pending
C Name of organization NORTON HEALTHCARE-INDIANA, INC.
D Employer identification number 85-0513259
E Telephone number (502) 629-3409
G Gross receipts \$ 48,965,742
H(a) Is this a group return for subordinates? [] Yes [x] No
H(b) Are all subordinates included? [] Yes [] No
I Tax-exempt status: [x] 501(c)(3) [] 501(c) () (insert no.) [] 4947(a)(1) or [] 527
J Website: WWW.NORTONHEALTHCARE.COM
K Form of organization: [x] Corporation [] Trust [] Association [] Other
L Year of formation: 2020
M State of legal domicile: KY

Part I Summary

Table with 3 columns: Line number, Description, and Amount. Rows include: 1. Mission statement; 2. Discontinued operations; 3-7. Governing body and employees; 7a-7b. Revenue (8-12); Expenses (13-19); Net Assets or Fund Balances (20-22).

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 ADAM KEMPF, CFO; Date; Preparer's signature KIM SCIFRES; Date 10/31/2024; PTIN P01316095; Firm's name CROWE LLP; Firm's EIN 35-0921680; Firm's address 9600 BROWNSBORO ROAD, SUITE 400, LOUISVILLE, KY 40241-3902; Phone no. (502) 326-3996

May the IRS discuss this return with the preparer shown above? See instructions [x] Yes [] No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
NORTON HEALTHCARE-INDIANA, INC.'S PURPOSE IS TO PROVIDE QUALITY HEALTH CARE TO ALL THOSE WE SERVE, IN A MANNER THAT RESPONDS TO THE NEEDS OF OUR COMMUNITIES AND HONORS OUR FAITH HERITAGE.

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 \$ 54,482,114 including grants of \$) (Revenue \$ 48,850,160)
NORTON HEALTHCARE-INDIANA, INC. (NHC-IN) WAS FORMED TO: I) PROVIDE ON A TAX-EXEMPT BASIS, HOSPITAL OR HEALTH CARE FACILITIES AND SERVICES FOR THE CARE AND TREATMENT OF ILL AND INJURED PERSONS AND THOSE WHO OTHERWISE REQUIRE MEDICAL CARE AND RELATED SERVICES AND THE KIND CUSTOMARILY FURNISHED MOST EFFECTIVELY BY HOSPITALS OR HEALTH CARE FACILITIES; II) CONDUCT EDUCATIONAL ACTIVITIES RELATED TO RENDERING CARE TO THE SICK AND INJURED; III) PROMOTE AND CONDUCT SCIENTIFIC RESEARCH RELATED TO THE CARE OF THE SICK AND INJURED; OPERATE PROGRAMS FOR THE PREVENTION OF HEALTH CARE SERVICES.
NHC-IN HAS A TOTAL OF 261 LICENSED BEDS, NORTON CLARK HOSPITAL, LLC - 236 BEDS AND NORTON SCOTT HOSPITAL, LLC - 25 BEDS. THESE HOSPITALS OPERATE TWENTY-FOUR (24) HOURS A DAY, SEVEN (7) DAYS A WEEK. FROM SEPTEMBER 29, 2023 (ACQUISITION DATE) THROUGH DECEMBER 31, 2023, NHC-IN'S HOSPITALS SERVED 2,039 INPATIENTS, 21,697 OUTPATIENTS, 11,704 EMERGENCY DEPARTMENT VISITS, AND 1,023
(CONTINUED ON SCHEDULE O)

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

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

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

4e Total program service expenses 54,482,114

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 Schedule B, Schedule of Contributors? See instructions	<input type="checkbox"/>	<input checked="" 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 Rev. Proc. 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 donor-restricted endowments or in 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 type="checkbox"/>	<input checked="" type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<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"/>
14a 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 type="checkbox"/>	<input checked="" 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"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	<input 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"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)		Yes	No		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,282		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			✓
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations. Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			✓
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b			
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15			✓
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16			✓
17	Section 501(c)(21) organizations. Did the trust, or any disqualified or other person, engage in any activities that would result in the imposition of an excise tax under section 4951, 4952, or 4953? If "Yes," complete Form 6069.	17			

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 on 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 on Schedule O.		
1b	Enter the number of voting members included on 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, 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 on 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 on 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 on 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 on 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?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed NONE
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, 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 on Schedule O)
- 19** Describe on 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.
HELENA SCHULZ, ACCOUNTING, 224 E BROADWAY, 5TH FL, LOUISVILLE, KY 40202-2025, (502) 629-8263

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 the 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, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) 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.

See the instructions for the order in which to list the persons above.

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/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(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) RUSSELL F. COX PRESIDENT & CEO/TRUSTEE	1.0 49.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	3,068,539	417,106
(2) MICHAEL W. GOUGH EXEC VP AND COO	1.0 49.0	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1,823,008	288,832
(3) ADAM KEMPF SR VP, CFO/TREASURER	1.0 49.0	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1,141,705	223,063
(4) ROBERT B. AZAR SR VP CHIEF LEGAL OFFICER/SECRETARY	1.0 49.0	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1,021,584	169,876
(5) BARRY PENNYBAKER TRUSTEE	1.0 3.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(6) CRAIG D. GRANT VICE CHAIR	1.0 4.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(7) EDIE NIXON CHAIR	1.0 15.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(8) GAIL LYTTLE TRUSTEE (PARTIAL YEAR)	1.0 3.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(9) GARY L. STEWART TRUSTEE	1.0 6.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(10) GREGORY E. MAYES TRUSTEE	1.0 5.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(11) JAMES L. SUBLETT, M.D. TRUSTEE	1.0 3.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(12) JOE CRAIG TRUSTEE	1.0 4.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(13) JUDGE DENISE CLAYTON TRUSTEE	1.0 3.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0
(14) LEE K. GARLOVE TRUSTEE	1.0 3.5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	2,000	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(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) MARIA HAMPTON TRUSTEE	1.0 3.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(16) MARIA L. BOUVETTE TRUSTEE	1.0 3.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(17) MARTHA K. HEYBURN, M.D. TRUSTEE (PARTIAL YEAR)	1.0 3.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(18) RICHARD R. IVEY TRUSTEE	1.0 3.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(19) RONALD LEHOCKY, M.D. TRUSTEE	1.0 5.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(20) SUE DAVIS, EDD, RN TRUSTEE	1.0 5.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 2,000	0	
(21) DONALD H. ROBINSON TRUSTEE	1.0 6.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 0	0	
(22) G. HUNT ROUNSAVALL, SR. TRUSTEE	1.0 6.5	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0 0	0	
(23)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
(24)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
(25)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
1b Subtotal								0 7,086,836	1,098,877	
c Total from continuation sheets to Part VII, Section A								0	0	
d Total (add lines 1b and 1c)								0 7,086,836	1,098,877	

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 0

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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
TEKSYSTEMS, INC., PO BOX 198568, ATLANTA, GA 30384-8568	TEMPORARY STAFFING	249,687
THE CSI COMPANIES, INC., PO BOX 890841, CHARLOTTE, NC 28289-0841	TEMPORARY STAFFING	154,980

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 2

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				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f	1g	\$			
	h	Total. Add lines 1a-1f		0			
	Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 621110	48,396,386	48,396,386	
b							
c							
d							
e							
f		All other program service revenue . .		0	0	0	
g		Total. Add lines 2a-2f		48,396,386			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)					
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross rents	(i) Real	209,342			
			(ii) Personal				
			6b	Less: rental expenses		0	
	6c	Rental income or (loss)	209,342		0		
	d	Net rental income or (loss)		209,342	209,342		
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			7b	Less: cost or other basis and sales expenses			
	7c	Gain or (loss)	0	0			
	d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	8a				
			8b	Less: direct expenses			
			c	Net income or (loss) from fundraising events			
	9a	Gross income from gaming activities. See Part IV, line 19	9a				
9b			Less: direct expenses				
c			Net income or (loss) from gaming activities				
10a	Gross sales of inventory, less returns and allowances	10a					
		10b	Less: cost of goods sold				
		c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue	11a	MISCELLANEOUS REVENUE	Business Code 900099	244,160	244,160		
	b	CAFETERIA INCOME	722310	115,582		115,582	
	c	PURCHASE DISCOUNTS	621999	272	272		
	d	All other revenue		0	0	0	
	e	Total. Add lines 11a-11d		360,014			
12	Total revenue. See instructions		48,965,742	48,850,160	0	115,582	

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				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	22,889,222	22,889,222		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	205,757	205,757		
9 Other employee benefits	1,008,702	1,008,702		
10 Payroll taxes	1,564,316	1,564,316		
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)	9,755,417	9,755,417	0	0
12 Advertising and promotion				
13 Office expenses	625,988	625,988		
14 Information technology				
15 Royalties				
16 Occupancy	1,521,156	1,521,156		
17 Travel	38,905	38,905		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	28,387	28,387		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,510,502	1,510,502		
23 Insurance	92,834	92,834		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on 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>	7,926,153	7,926,153		
b <u>PROVIDER TAX EXPENSE</u>	3,652,819	3,652,819		
c <u>REPAIRS AND MAINTENANCE</u>	2,151,695	2,151,695		
d <u>ALLOCATED SUPPORT</u>	1,236,622	1,051,129	185,493	
e All other expenses	459,132	459,132	0	0
25 Total functional expenses. Add lines 1 through 24e	54,667,607	54,482,114	185,493	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <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) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	1	7,953,364
	2 Savings and temporary cash investments	2	
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	4	35,292,681
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)	6	0
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	8	4,546,821
	9 Prepaid expenses and deferred charges	9	1,869,085
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 50,226,614	
	b Less: accumulated depreciation	10b 1,312,933	10c 48,913,681
	11 Investments—publicly traded securities	11	
	12 Investments—other securities. See Part IV, line 11	0 12	0
	13 Investments—program-related. See Part IV, line 11	0 13	0
	14 Intangible assets	14	2,483,131
	15 Other assets. See Part IV, line 11	0 15	12,605,906
16 Total assets. Add lines 1 through 15 (must equal line 33)	0 16	113,664,669	
Liabilities	17 Accounts payable and accrued expenses	17	11,510,578
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	22	0
	23 Secured mortgages and notes payable to unrelated third parties	23	
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24). Complete Part X of Schedule D	0 25	107,855,956
	26 Total liabilities. Add lines 17 through 25	0 26	119,366,534
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.		
	27 Net assets without donor restrictions	27	(5,701,865)
	28 Net assets with donor restrictions	28	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.		
	29 Capital stock or trust principal, or current funds	29	
	30 Paid-in or capital surplus, or land, building, or equipment fund	30	
	31 Retained earnings, endowment, accumulated income, or other funds	31	
	32 Total net assets or fund balances	0 32	(5,701,865)
33 Total liabilities and net assets/fund balances	0 33	113,664,669	

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	48,965,742
2	Total expenses (must equal Part IX, column (A), line 25)	2	54,667,607
3	Revenue less expenses. Subtract line 2 from line 1	3	(5,701,865)
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	0
5	Net unrealized gains (losses) on investments	5	
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 on Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	(5,701,865)

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 on 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 on 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 Uniform Guidance, 2 C.F.R. Part 200, Subpart F?		✓
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 on Schedule O and describe any steps taken to undergo such audits.		

**SCHEDULE A
(Form 990)**

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2023

**Open to Public
Inspection**

Name of the organization NORTON HEALTHCARE-INDIANA, INC.	Employer identification number 85-0513259
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Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 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).)
- 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)(vii)**. (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 on 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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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 5 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 2023 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2023. 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—2022. 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—2023. 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—2022. 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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(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 on 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 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization . . .

b 33 1/3% support tests—2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization . . .

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, 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 lines 3b and 3c 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 box 12a or 12b in Part I, answer lines 4b and 4c 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 lines 5b and 5c 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 (as 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).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</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 on 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 on 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 line 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 on lines 11b and 11c below, the governing body of a supported organization?		
11a		
b A family member of a person described on line 11a above?		
11b		
c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI .		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
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? 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.		
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)? 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).		
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? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
2		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
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 governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
2a		
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
2b		
3 Parent of Supported Organizations. Answer lines 3a and 3b 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? If "Yes" or "No," provide details in Part VI .		
3a		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
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 (<i>explain in detail in Part VI</i>):		
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 0.015 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 0.035.	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 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

Section D—Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required—provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2023 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E—Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, 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 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019			
b Excess from 2020			
c Excess from 2021			
d Excess from 2022			
e Excess from 2023			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

**SCHEDULE C
(Form 990)**

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2023

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 NORTON HEALTHCARE-INDIANA, INC.	Employer identification number 85-0513259
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2020	(b) 2021	(c) 2022	(d) 2023	(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?		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities?	✓		3,150
j Total. Add lines 1c through 1i			3,150
2a Did the activities in line 1 cause the organization to not be 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 expenditures 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	NORTON HEALTHCARE-INDIANA, INC. PAYS DUES TO THE INDIANA HOSPITAL ASSOCIATION AND TO THE AMERICAN HOSPITAL ASSOCIATION. A PORTION OF THESE DUES IN THE AMOUNT OF \$3,150 WAS SPENT BY THE INDIANA HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION ON LOBBYING.

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

2023

Open to Public Inspection

Name of the organization: NORTON HEALTHCARE-INDIANA, INC. Employer identification number: 85-0513259

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

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

Part II Conservation Easements

Table with 2 columns: Held at the End of the Tax Year. Rows 1-9 for various questions and data points.

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

Table with 2 columns: Revenue, Assets. Rows 1a-2 for various questions and data points.

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 make 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 program
- 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 in 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** Term 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? **Yes** **No**
- (ii)** Related organizations? **Yes** **No**

	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		3,447,787		3,447,787
b Buildings		28,704,818	452,102	28,252,716
c Leasehold improvements				
d Equipment		17,250,309	850,409	16,399,900
e Other		823,700	10,422	813,278
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				48,913,681

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, line 12, col. (B))		

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, line 13, col. (B))		

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) RIGHT OF USE ASSETS	12,149,594
(2) COST REPORT RECEIVABLE	413,044
(3) OTHER RECEIVABLES	43,268
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	12,605,906

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) PAYABLE TO AFFILIATE	95,801,305
(3) LEASE LIABILITIES	12,054,651
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	107,855,956

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 FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII

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

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

Table with 5 main rows and sub-rows (a-e). Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (1, 2e, 3, 4c, 5).

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

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

Table with 5 main rows and sub-rows (a-e). Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (1, 2e, 3, 4c, 5).

Part XIII Supplemental Information

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

Multiple horizontal dashed lines for providing supplemental information.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2023

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.

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 NORTON HEALTHCARE-INDIANA, INC.	Employer identification number 85 0513259
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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.	✓	
1b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year: <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>350</u> %	✓	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		✓
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?		✓
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?		✓
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		✓
b If "Yes," did the organization make it available to the public?		

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)			1,282,762	0	1,282,762	2.35
b Medicaid (from Worksheet 3, column a)			11,279,225	8,933,841	2,345,384	4.29
c Costs of other means-tested government programs (from Worksheet 3, column b)					0	0.00
d Total. Financial Assistance and Means-Tested Government Programs	0	0	12,561,987	8,933,841	3,628,146	6.64
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)					0	0.00
f Health professions education (from Worksheet 5)					0	0.00
g Subsidized health services (from Worksheet 6)					0	0.00
h Research (from Worksheet 7)					0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)					0	0.00
j Total. Other Benefits	0	0	0	0	0	0.00
k Total. Add lines 7d and 7j	0	0	12,561,987	8,933,841	3,628,146	6.64

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

Cat. No. 50192T

Schedule H (Form 990) 2023

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					0	0.00
7 Community health improvement advocacy					0	0.00
8 Workforce development					0	0.00
9 Other					0	0.00
10 Total	0	0	0	0	0	0.00

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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		
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,		
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	18,904,742
6	Enter Medicare allowable costs of care relating to payments on line 5	6	22,841,935
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	(3,937,193)
8	Describe in Part VI the extent to which any shortfall reported on 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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					
2					
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? 2

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	Children's hospital	Teaching hospital	Critical access	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 NORTON CLARK HOSPITAL 1220 MISSOURI AVE., JEFFERSONVILLE, IN 47130 HTTPS://NORTONHEALTHCARE.COM/LOCATION/NORTON-CLARK-HOSPITAL/ STATE LICENSE NO. : 24-005009-1	✓	✓					✓			A
2 NORTON SCOTT HOSPITAL 1451 N. GARDNER ST., SCOTTSBURG, IN 47170 HTTPS://NORTONHEALTHCARE.COM/LOCATION/NORTON-SCOTT-HOSPITAL/ STATE LICENSE NO. : 23-004788-1	✓				✓		✓			A
3										
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): 1-2

		Yes	No
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		✓
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 type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input 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 type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The significant health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input 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> </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 type="checkbox"/> Hospital facility's website (list url): _____		
b	<input type="checkbox"/> Other website (list url): _____		
c	<input 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> </u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?		
a	If "Yes," (list url): _____		
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>3 5 0</u> % and FPG family income limit for eligibility for discounted care of <u> </u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input 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 checked="" 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 Limited English Proficiency (LEP) populations		
j	<input checked="" 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 (if not, describe in Section C)		
b	<input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c	<input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d	<input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
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 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 checked="" 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? If "Yes," explain in Section C.	23	✓
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	✓

Part V, Section C

Supplemental Information. Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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
SCHEDULE H, PART V, SECTION B, LINE 2 - ACQUIRED OR PLACED IN SERVICE AS A TAX EXEMPT HOSPITAL	NORTON HEALTHCARE, INC. (NHC) ACQUIRED NORTON CLARK HOSPITAL (CLARK) AND NORTON SCOTT HOSPITAL (SCOTT) EFFECTIVE 9/29/2023. CLARK AND SCOTT WERE PURCHASED FROM LIFEPOINT HEALTH, WHICH IS A FOR-PROFIT HEALTH SYSTEM. THUS, CLARK AND SCOTT HAVE TRANSITIONED TO NOT-FOR-PROFIT HOSPITALS, CONSISTENT WITH ALL OTHER NHC ENTITIES.
SCHEDULE H, PART V, SECTION B, LINE 13H - OTHER ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE	<p>FACILITY NAME: ALL HOSPITALS</p> <p>DESCRIPTION: OTHER ELIGIBILITY CRITERIA IN ADDITION TO THE CRITERIA ANSWERED ABOVE WOULD INCLUDE AS DESCRIBED IN THE FINANCIAL ASSISTANCE POLICY.</p> <p>*THE PATIENT DOES NOT QUALIFY FOR SUBSIDIZED COVERAGE OF GOVERNMENT ASSISTANCE SUCH AS DISPROPORTIONATE SHARE HOSPITAL, CHILDREN'S HEALTH INSURANCE PROGRAM, MEDICAID, MEDICAID MANAGED CARE ORGANIZATION, OR HOOSIER HEALTHCARE.</p> <p>*TO BE ELIGIBLE FOR ASSISTANCE FOR NON-EMERGENT MEDICALLY NECESSARY CARE, A PATIENT (OR THAT PATIENT'S GUARANTOR) MUST BE A RESIDENT OF KENTUCKY, INDIANA, TENNESSEE, OHIO, OR ILLINOIS. THIS RESIDENCY REQUIREMENT DOES NOT APPLY TO EMERGENCY CARE.</p>
SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE	WWW.NORTONHEALTHCARE.COM/FAP
SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE	WWW.NORTONHEALTHCARE.COM/FAP
SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE	WWW.NORTONHEALTHCARE.COM/FAP
SCHEDULE H, PART V, SECTION B, LINE 16J - OTHER WAYS HOSPITAL PUBLICIZED FINANCIAL ASSISTANCE POLICY	<p>FACILITY NAME: ALL HOSPITALS</p> <p>DESCRIPTION: SEE RESPONSE TO PART VI, LINE 3: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE.</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? 4

Name and address	Type of facility (describe)
1 NORTON COMMUNITY MEDICAL ASSOCIATES - ENDOCRINOLOGY 130 HUNTER STATION WAY, SUITE 101 SELLERSBURG, IN 47172	OTHER HEALTH CARE FACILITY - PHYSICIAN'S OFFICE
2 NORTON COMMUNITY MEDICAL ASSOCIATES - SCOTTSBURG 1461 N GARDNER ST SCOTTSBURG, IN 47170	OTHER HEALTH CARE FACILITY - PHYSICIAN'S OFFICE
3 NORTON RURAL HEALTH CLINIC 1465 N GARDNER ST SCOTTSBURG, IN 47170	OTHER HEALTH CARE FACILITY - RURAL HEALTH CLINIC
4 NORTON COMMUNITY MEDICAL ASSOCIATES - JEFFERSONVILLE COMMONS 2021 MERCY WAY, SUITE 102 JEFFERSONVILLE, IN 47130	OTHER HEALTH CARE FACILITY - PHYSICIAN'S OFFICE
5 	
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 3C - CRITERIA USED FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE	NORTON HEALTHCARE-INDIANA, INC. HAS A POLICY WHERE WE DISCOUNT CHARGES FOR ALL SELF-PAY PATIENTS WITH NO INSURANCE COVERAGE REGARDLESS OF INCOME QUALIFICATIONS. BECAUSE OF THIS POLICY, WE RESPONDED "NO" TO LINE 3B IN THAT WE DO NOT UTILIZE FEDERAL POVERTY GUIDELINES FOR PROVIDING DISCOUNTED CARE.
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	IF COSTS COULD BE DIRECTLY IDENTIFIED TO A PARTICULAR LINE, THAN THOSE DIRECT COSTS WERE UTILIZED. IF COSTS COULD NOT BE DIRECTLY IDENTIFIED, THEN A COST-TO-CHARGE RATIO WAS UTILIZED.
SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT	IN ACCORDANCE WITH ACCOUNTING GUIDANCE, BAD DEBT IS NOT PRESENTED AS AN EXPENSE, BUT IS INCLUDED AS A REDUCTION IN NET PATIENT SERVICE REVENUE.
SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT	<p>IN ACCORDANCE WITH ACCOUNTING GUIDANCE, BAD DEBT IS NO LONGER AN EXPENSE, BUT IS INCLUDED AS A REDUCTION IN NET PATIENT SERVICE REVENUE. THE FOLLOWING PARAGRAPH PER THE AUDITED FINANCIAL STATEMENTS (PAGE 19, SECOND PARAGRAPH) DISCUSSES THE HANDLING OF PATIENT DEDUCTIBLE AND COINSURANCE NOT PAID BY PATIENTS;</p> <p>"GENERALLY, PATIENTS WHO ARE COVERED BY THIRD-PARTY PAYORS ARE RESPONSIBLE FOR PATIENT RESPONSIBILITY BALANCES, INCLUDING DEDUCTIBLES AND COINSURANCE, WHICH VARY IN AMOUNT. THE CORPORATION ESTIMATES THE TRANSACTION PRICE FOR PATIENTS WITH DEDUCTIBLES AND COINSURANCE BASED ON HISTORICAL EXPERIENCE AND CURRENT MARKET CONDITIONS. THE INITIAL ESTIMATE OF THE TRANSACTION PRICE IS DETERMINED BY REDUCING THE STANDARD CHARGE BY ANY EXPLICIT PRICE CONCESSIONS, DISCOUNTS, AND /OR IMPLICIT PRICE CONCESSIONS. SUBSEQUENT CHANGES TO THE ESTIMATE OF THE TRANSACTION PRICE ARE GENERALLY RECORDED AS ADJUSTMENTS TO NET PATIENT SERVICE REVENUE IN THE PERIOD OF CHANGE."</p>
SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED	<p>THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COST WAS BASED ON THE MEDICARE PRINCIPLES USED IN COMPLETING THE MEDICARE COST REPORT. ALL COST REPORTED CAME FROM THE AUDITED TRIAL BALANCE FOR THE PERIOD OF NORTON HEALTHCARE, INC.'S OWNERSHIP (9/29/2023-12/31/2023).</p> <p>NORTON HEALTHCARE-INDIANA, INC. (NHC-IN) ACCEPTS ALL MEDICARE PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS AND OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. NHC-IN BELIEVES THAT ANY MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT BECAUSE MEDICARE DOES NOT TYPICALLY FULLY COMPENSATE NHC-IN FOR THE COST OF PROVIDING HOSPITAL CARE TO MEDICARE BENEFICIARIES.</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>AFTER THE PATIENT'S INITIAL SCREENING FOR FINANCIAL ASSISTANCE, IF IT IS BELIEVED THAT THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE; NORTON HEALTHCARE-INDIANA, INC. WILL NOT START COLLECTION EFFORTS PENDING THE PATIENT SUBMITTING THE NECESSARY INFORMATION TO DOCUMENT MEETING THE FINANCIAL ASSISTANCE QUALIFICATIONS. IF THE PATIENT SUBMITS THE NECESSARY DOCUMENTATION WITHIN A REASONABLE TIME PERIOD, THEN THERE WILL NOT BE ANY COLLECTION EFFORTS MADE TO COLLECT ANY AMOUNT FROM THE PATIENT. THE PATIENT MAY RECEIVE A STATEMENT/BILL REFLECTING THE AMOUNT DUE THROUGH THE FINANCIAL ASSISTANCE APPLICATION PROCESS PENDING THE PATIENT'S FINANCIAL ASSISTANCE APPLICATION, BUT THERE WILL BE NO COLLECTION EFFORTS. ONLY AFTER AN ATTEMPT IS MADE TO CONTACT THE PATIENT TO OBTAIN THE NECESSARY DOCUMENTATION FOR COMPLETING THE FINANCIAL ASSISTANCE APPLICATION AND THE PATIENT NOT RESPONDING WILL COLLECTION EFFORTS BEGIN. THERE IS ONGOING EFFORT THROUGHOUT THE COLLECTION PROCESS TO SCREEN FOR MEDICAID ELIGIBILITY AND THE NEED FOR PROVIDING FINANCIAL ASSISTANCE APPLICATIONS TO PATIENTS. WHEN A PATIENT IS APPROVED FOR FINANCIAL ASSISTANCE, THEIR ACCOUNT BALANCE IS WRITTEN OFF.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<p>NORTON HEALTHCARE, INC. (NHC), THE PARENT COMPANY OF NORTON HEALTHCARE-INDIANA, INC. BEGAN CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR THE TWO INDIANA AREA HOSPITALS SHORTLY AFTER THEY WERE ACQUIRED IN LATE 2023 TO BE PUBLISHED IN 2025. THE CHNA DEFINED THE PATIENT SERVICE AREA BY PATIENT ORIGIN FOR INPATIENT STAYS, DEMOGRAPHIC, SOCIOECONOMIC, POPULATION, AND OTHER HEALTH RELATED INDICATORS UTILIZED TO PROVIDE INFORMATION ON THE HEALTH STATUS OF THE COMMUNITY. COMMUNITY INPUT HAS BEEN PROVIDED THROUGH PROVIDER AND COMMUNITY INTERVIEWS AND A COMMUNITY HEALTH SURVEY. HEALTH NEEDS WILL BE PRIORITIZED AND ADDRESSED BASED ON HEALTH STATUS FINDINGS AND COMMUNITY INPUT IN EARLY 2025. THE CHNA IS A COMPONENT OF THE ORGANIZATIONS STRATEGIC PLANNING PROCESS AS RESOURCES ARE NECESSARY TO IMPLEMENT STRATEGIES OUTLINED FOR PRIORITIES IDENTIFIED. THE LEADERSHIP OF NHC AND HOSPITAL CHIEF ADMINISTRATIVE OFFICER WILL APPROVE THE ASSESSMENT AND IMPLEMENTATION PLAN ONCE IT IS COMPLETED.</p>
<p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p>	<p>SIGNAGE IS POSTED IN ALL NORTON HEALTHCARE-INDIANA, INC. (NHC-IN) HOSPITAL FACILITIES, INCLUDING THE ADMISSION AREA AND EMERGENCY ROOM, PROVIDING INFORMATION ON THE ABILITY TO APPLY FOR FINANCIAL ASSISTANCE AND TO SEEK HELP IN PAYING YOUR BILL. THE SIGNAGE IS TRANSLATED IN FIVE LANGUAGES AND ALL LANGUAGES ARE CONTAINED ON THE SAME POSTER. THE LANGUAGES ARE: ENGLISH, SPANISH, VIETNAMESE, CROATIAN, AND ARABIC. AT THE TIME OF REGISTRATION, THE PATIENT ACCESS/REGISTRATION DEPARTMENT DISCUSSES WITH THE PATIENT THE FINANCIAL ASSISTANCE/CHARITY OPTIONS, GUIDELINES, AND PROVIDES ASSISTANCE AS NEEDED IN FILLING OUT A FINANCIAL ASSISTANCE APPLICATION AND ANSWERING QUESTIONS. ADDITIONAL QUESTIONS FROM THE PATIENT/GUARANTOR CAN BE FACILITATED THROUGH THE NORTON HEALTHCARE, INC. (NHC) BILLING OFFICE AND CUSTOMER SERVICE. NHC HAS CREATED A NUMBER OF DIFFERENT OPTIONS FOR THE PATIENT/GUARANTOR TO SUPPLY THE INFORMATION/APPLICATION FOR FINANCIAL ASSISTANCE TO NHC. THOSE VARIOUS METHODS OF DELIVERY INCLUDE: IN PERSON, BY MAIL, BY FAX, ON-LINE APPLICATION SUBMISSION VIA THE WEBSITE, AND BY SPECIFIC EMAIL ADDRESS. THESE VARIOUS OPTIONS ARE PUBLICIZED AND MADE KNOWN TO THE PATIENT.</p> <p>NORTON CLARK HOSPITAL (CLARK) AND NORTON SCOTT (SCOTT) HOSPITAL UTILIZE INTERNAL STAFF TO SCREEN ALL UNINSURED PATIENTS FOR NHC FINANCIAL ASSISTANCE, MEDICAID, MEDICAID MANAGED CARE ORGANIZATIONS, PRESUMPTIVE ELIGIBILITY IN ADDITION, THEY MAY PROVIDE EDUCATION AND REFERRAL ASSISTANCE TO THE APPROPRIATE COUNTY/STATE DEPARTMENTS FOR FOOD STAMPS, RENT ASSISTANCE, HEATING ASSISTANCE, ETC. THE PROCESS OF COMPLETING THE APPLICATION IS OFTEN PERFORMED BY INTERNAL STAFF. THEY PROTECT FILING DEADLINES BY SUBMITTING THE APPROPRIATE FORMS TO THE STATE/COUNTY. THEY FOLLOW UP WITH A STATE CASEWORKER AS NEEDED.</p> <p>NHC HAS STAFF THAT IS DEDICATED TO PERFORMING THE FOLLOWING FUNCTIONS: PROCESSING, REVIEWING, AND APPROVING FINANCIAL ASSISTANCE APPLICATIONS RECEIVED. ADDITIONALLY, SOME OF THOSE EMPLOYEES MAKE OUT-BOUND CALLS TO SOLICIT FINANCIAL ASSISTANCE INFORMATION NEEDED TO PROCESS THE PATIENT'S APPLICATION.</p> <p>FINANCIAL ASSISTANCE FOR NHC FINANCIAL ASSISTANCE IS NOT LIMITED TO THE SELF-PAY POPULATION. EVEN PATIENTS WITH INSURANCE COVERAGE ARE ENCOURAGED TO APPLY FOR ASSISTANCE SO THEIR DEDUCTIBLE, CO-PAYMENTS, AND CO-INSURANCE AMOUNTS ARE COVERED UNDER THE VARIOUS ASSISTANCE PROGRAMS.</p> <p>FINANCIAL COUNSELORS/SOCIAL WORKERS AT THE FACILITIES ARE EDUCATED AND TRAINED TO ASSIST WITH COUNSELING PATIENTS TO DETERMINE AND EXPLAIN OUR FINANCIAL ASSISTANCE PROGRAMS. THEY CONTINUE TO RECEIVE ON-GOING EDUCATION THROUGHOUT THE ENTIRE YEAR REGARDING ELIGIBILITY CHANGES AND ADDITIONS FOR NHC FINANCIAL ASSISTANCE, MEDICAID, MEDICAID MANAGED CARE ORGANIZATION, PRESUMPTIVE ELIGIBILITY, ETC.</p> <p>CHARITY INFORMATION WAS PROVIDED ON THE FRONT OF THE BILLING STATEMENT. NHC ENSURES THAT ALL PATIENTS WERE MADE AWARE OF FINANCIAL ASSISTANCE REGARDLESS OF WHERE THE PATIENT'S ACCOUNT MAY HAVE BEEN IN THE COLLECTION CYCLE. EVEN IF THE PATIENT/GUARANTOR HAD NOT PREVIOUSLY AVAILED THEMSELVES OF THE OPPORTUNITY TO APPLY FOR FINANCIAL ASSISTANCE AND DECIDED THEY WILL NOW COOPERATE, NHC THEN ALLOWED THE PATIENT/GUARANTOR TO APPLY AND BE APPROVED IF THEY MET THE QUALIFICATIONS.</p> <p>FINANCIAL ASSISTANCE NOTIFICATIONS AND APPLICATIONS WERE MADE AVAILABLE TO THE PATIENT/GUARANTOR VIA TELEPHONE, FACE TO FACE MEETINGS, WEBSITE, MAIL, ELECTRONICALLY, ETC.</p> <p>PRIMARY COLLECTION AGENCIES CHOSEN BY NHC INCLUDE WITH THEIR INITIAL PLACEMENT LETTER AN INSERT OF A COPY OF A FINANCIAL ASSISTANCE APPLICATION FOR THE GUARANTOR TO COMPLETE.</p> <p>CALLS RESULTING FROM NOTIFICATION CORRESPONDENCE SENT BY THE COLLECTION AGENCIES MAY BE ROUTED TO SPANISH-SPEAKING CUSTOMER SERVICE REPRESENTATIVES OR PATIENT/GUARANTORS MAY ALSO REQUEST AN INTERPRETER SERVICE TO ASSIST IN FACILITATING INFORMATION REGARDING FINANCIAL ASSISTANCE.</p> <p>NHC'S CUSTOMER SERVICE DEPARTMENT ROUTINELY INSTRUCTS AND SCREENS PATIENTS IN THE PROTOCOL REGARDING FINANCIAL ASSISTANCE THROUGH THE NHC FINANCIAL ASSISTANCE PROGRAM.</p> <p>NHC HAS OFFERED AT THE TIME OF FINAL BILLING ALL TRUE HOSPITAL SELF-PAY PATIENTS A SIGNIFICANT DISCOUNT OFF OF THE TOTAL CHARGES THAT WERE REFLECTED ON THEIR MONTHLY STATEMENTS AND THE AMOUNT DUE. CONTRACTED COLLECTION AGENCIES ARE REQUIRED TO SOLICIT FINANCIAL ASSISTANCE APPLICATIONS WHEN THE PATIENT/GUARANTOR INDICATES "CANNOT PAY".</p> <p>THE CLARK AND SCOTT STATEMENT PROVIDED IN 2023 INCLUDED THE LINK TO THE WEBSITE TO ALLOW THE PATIENT/GUARANTOR TO LEARN MORE ABOUT FINANCIAL ASSISTANCE AND INFORMATION ON HOW TO APPLY.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<p>PRIMARY SERVICE AREA</p> <p>NORTON HEALTHCARE-INDIANA, INC'S (NHC-IN) PRIMARY SERVICE AREA POPULATION IS OVER 239,000 AND EXPECTED TO INCREASE 4% BETWEEN 2024 AND 2029. THE PRIMARY SERVICE AREA INCLUDES AN AREA INCLUSIVE OF 3 COUNTIES, 2 OF WHICH ARE LOCATED ALONG THE OHIO RIVER BORDER IN INDIANA AND 1 ADDITIONAL INDIANA COUNTY THAT DOES NOT BORDER THE OHIO RIVER. APPROXIMATELY 33% OF THE POPULATION IS OVER 55 YEARS OLD; COMPARED TO 30% IN THE USA. THIS PORTION OF THE POPULATION TENDS TO USE ADDITIONAL HEALTHCARE SERVICES. THE PEDIATRIC POPULATION IN 2024 WAS ESTIMATED AT 52,477 AND IS EXPECTED TO DECREASE TO 52,444 WITHIN 5 YEARS AND REPRESENTS 21% OF THE POPULATION. THE NUMBER OF HOUSEHOLDS IN THE PRIMARY SERVICE AREA WAS ESTIMATED AT 96,361 IN 2024 AND IS EXPECTED TO INCREASE 4% BY 2029. THE UNEMPLOYMENT RATE IS APPROXIMATELY 4.3%. CURRENTLY 10% OF THE ADULT POPULATION DOES NOT HAVE A HIGH SCHOOL DEGREE AND 16% HAVE A HOUSEHOLD INCOME THAT IS LESS THAN \$25,000 A YEAR; THE MEDIAN HOUSEHOLD INCOME IS \$69,170 COMPARED TO \$74,580 FOR THE UNITED STATES. NHC-IN'S PRIMARY SERVICE AREA'S POPULATION IS 69% URBAN AND 31% RURAL.</p> <p>THE SCOTT SERVICE AREA WITHIN SCOTT COUNTY HAS BEEN DESIGNATED AS MEDICALLY UNDERSERVED AREAS BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA). THE HRSA IS THE PRIMARY FEDERAL AGENCY FOR IMPROVING HEALTH CARE FOR PEOPLE WHO ARE ECONOMICALLY AND MEDICALLY VULNERABLE. IT WORKS WITH STATE PARTNERS TO DETERMINE AREAS WITH TOO FEW PRIMARY CARE, DENTAL AND MENTAL HEALTH PROVIDERS AND SERVICES. THERE ARE LIMITED FEDERAL RESOURCES, SO THE DESIGNATION HELPS TO PRIORITIZE AND FOCUS RESOURCES TO AREAS WITH THIS DESIGNATION.</p> <p>SECONDARY SERVICE AREA</p> <p>NHC-IN'S SECONDARY SERVICE AREA INCLUDES 3 COUNTIES. NHC-IN'S SECONDARY SERVICE AREA POPULATION WAS 95,236 IN 2024 AND IS EXPECTED TO INCREASE 1% BETWEEN 2024 AND 2029. THE SECONDARY SERVICE AREA SPREADS ACROSS 3 KENTUCKY COUNTIES. THE 55+ AGE COHORT REPRESENTS 34% OF THE SECONDARY SERVICE AREA POPULATION AND IS ABOVE THE 30% 55+ PERCENTAGE IN THE UNITED STATES. THE PEDIATRIC POPULATION IN 2024 WAS ESTIMATED AT 20,548 AND EXPECTED TO DECREASE TO 20,127 BY 2029. ALTHOUGH THE PEDIATRIC POPULATION IS EXPECTED TO REMAIN RELATIVELY FLAT (LESS THAN 1% GROWTH), THERE IS A NEED FOR CHILDREN TO HAVE APPROPRIATE ACCESS TO CARE IN THE RURAL AREAS OF KENTUCKY. THE NUMBER OF HOUSEHOLDS IN THE SECONDARY SERVICE AREA WAS ESTIMATED AT 37,510 IN 2024 AND IS EXPECTED TO INCREASE 1.7% BY 2029. OVER 7,000 ADULTS IN THIS SERVICE AREA DO NOT HAVE A HIGH SCHOOL EDUCATION AND THE AVERAGE HOUSEHOLD INCOME IS UNDER \$25,000 FOR 16% OF THE POPULATION. THE UNEMPLOYMENT RATE IS APPROXIMATELY 4%. THE MEDIAN HOUSEHOLD INCOME IS \$67,091, 3% LESS THAN THE PRIMARY SERVICE AREA AVERAGE HOUSEHOLD INCOME. NHC-IN'S SECONDARY SERVICE AREA'S POPULATION IS 29% URBAN AND 71% RURAL.</p>
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>NORTON HEALTHCARE INC. (NHC) IS A NOT-FOR-PROFIT CORPORATION SERVING ADULT AND PEDIATRIC PATIENTS FROM THROUGHOUT GREATER LOUISVILLE, SOUTHERN INDIANA, THE COMMONWEALTH OF KENTUCKY AND BEYOND. THE NOT-FOR-PROFIT HOSPITAL AND HEALTH CARE SYSTEM HAS FIVE LOUISVILLE-BASED HOSPITALS, THREE HOSPITALS IN SOUTHERN INDIANA AND ONE UNDER CONSTRUCTION IN WEST LOUISVILLE THAT IS SCHEDULED TO OPEN IN LATE 2024.</p> <p>IN 2023, NHC FURTHER EXPANDED INTO INDIANA WITH TWO ADDITIONAL HOSPITALS THROUGH A WHOLLY-OWNED AFFILIATE, NORTON HEALTHCARE-INDIANA, INC. (NHC-IN): NORTON CLARK HOSPITAL (CLARK) IN JEFFERSONVILLE AND NORTON SCOTT HOSPITAL (SCOTT) IN SCOTTSBURG. CLARK IS A 236-BED ACUTE CARE FACILITY LOCATED ON A 22-ACRE CAMPUS THAT ALSO INCLUDES TWO MEDICAL OFFICE BUILDINGS AND AN OUTPATIENT SURGERY CENTER. SCOTT IS A 25-BED CRITICAL ACCESS HOSPITAL WITH A 24-HOUR PHYSICIAN-STAFFED EMERGENCY DEPARTMENT AND A COMPREHENSIVE LIST OF INPATIENT AND OUTPATIENT SERVICES. NHC-IN EXTENDS MEDICAL PRIVILEGES TO ALL PHYSICIANS IN THE COMMUNITY WHO MEET THE CREDENTIALING QUALIFICATIONS NECESSARY FOR APPOINTMENT TO ITS MEDICAL STAFF BY SPECIALTY.</p> <p>ON SEPTEMBER 29, 2023, NHC ACQUIRED CLARK AND SCOTT. FROM SEPTEMBER 29, 2023 THROUGH THE END OF 2023, NORTON HEALTHCARE INDIANA'S HOSPITALS SERVED 2,039 INPATIENTS AND 21,697 OUTPATIENTS, AND SAW 11,704 EMERGENCY ROOM VISITS. IN ADDITION, NHC-INS' OPERATING ROOMS CARED FOR 491 INPATIENT SURGICAL PATIENTS AND 1,795 OUTPATIENT SURGICAL PATIENTS. ADDITIONALLY, 251 BABIES WERE DELIVERED AT CLARK.</p> <p>NHC BOARD OF TRUSTEES INCLUDES REPRESENTATIVES FROM THE COMMUNITY AND LARGEST EMPLOYERS IN THE REGION THAT LIVE AND WORK IN THE NHC-IN'S PRIMARY SERVICE AREA. MEMBERS ARE NEITHER EMPLOYEES OF NOR INDEPENDENT CONTRACTORS WITH THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF.</p>
<p>SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP</p>	<p>NORTON HEALTHCARE, INC. (THE CONTROLLING COMPANY) (NHC) AND ITS AFFILIATES, INCLUDING NORTON HOSPITALS, INC., NORTON PROPERTIES, INC., COMMUNITY MEDICAL ASSOCIATES, INC., THE CHILDREN'S HOSPITAL FOUNDATION, INC., NORTON HEALTHCARE FOUNDATION, INC., AND NORTON ENTERPRISES, INC. OPERATE IN THE LOUISVILLE, KENTUCKY METROPOLITAN AREA AND THE OPERATIONS OF THE AFFILIATED HEALTHCARE SYSTEM INCLUDE 1,907 LICENSED BEDS, OVER 300 PHYSICIAN PRACTICE LOCATIONS, AND 18 NORTON IMMEDIATE CARE CENTER LOCATIONS, AND OTHER ANCILLARY HEALTH CARE SERVICES.</p> <p>NORTON HEALTHCARE – INDIANA, INC. IS AN AFFILIATE OF NHC AND OPERATES NORTON KING'S DAUGHTERS' HOSPITAL (NKDH) IN MADISON IN, NORTON CLARK HOSPITAL (CLARK) IN JEFFERSONVILLE, IN, AND NORTON SCOTT HOSPITAL (SCOTT) IN SCOTTSBURG, IN. NKDH HAS 86 LICENSED BEDS AND 8 PHYSICIAN PRACTICES AND OTHER ANCILLARY HEALTH CARE SERVICE LOCATIONS. CLARK HAS 236 LICENSED BEDS AND INCLUDES TWO MEDICAL OFFICE BUILDINGS AND AN OUTPATIENT SURGERY CENTER. SCOTT IS A 25 BED CRITICAL ACCESS HOSPITAL.</p>

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTON HEALTHCARE-INDIANA, INC.

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

2023

Open to Public Inspection

Employer identification number

85-0513259

Part I Questions Regarding Compensation

	Yes	No
<p>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.</p> <p> <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) </p>		
<p>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</p>	1b	
<p>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?</p>	2	
<p>3 Indicate which, if any, of the following the 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.</p> <p> <input type="checkbox"/> Compensation committee <input type="checkbox"/> Written employment contract <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Compensation survey or study <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Approval by the board or compensation committee </p>		
<p>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:</p>		
<p>a Receive a severance payment or change-of-control payment?</p>	4a	✓
<p>b Participate in or receive payment from a supplemental nonqualified retirement plan?</p>	4b	✓
<p>c Participate in or receive payment from an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.</p>	4c	✓
<p>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.</p>		
<p>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:</p>		
<p>a The organization?</p>	5a	✓
<p>b Any related organization?</p> <p>If "Yes" on line 5a or 5b, describe in Part III.</p>	5b	✓
<p>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:</p>		
<p>a The organization?</p>	6a	✓
<p>b Any related organization?</p> <p>If "Yes" on line 6a or 6b, describe in Part III.</p>	6b	✓
<p>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</p>	7	✓
<p>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</p>	8	✓
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	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 and/or 1099-NEC 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 RUSSELL F. COX PRESIDENT & CEO/TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	1,548,059	816,092	704,388	378,897	38,209	3,485,645	117,699
2 MICHAEL W. GOUGH EXEC VP AND COO	(i)	0	0	0	0	0	0	0
	(ii)	1,046,012	510,862	266,134	260,502	28,330	2,111,840	0
3 ADAM KEMPF SR VP, CFO/TREASURER	(i)	0	0	0	0	0	0	0
	(ii)	755,209	281,470	105,026	175,860	47,203	1,364,768	63,188
4 ROBERT B. AZAR SR VP CHIEF LEGAL OFFICER/SECRETARY	(i)	0	0	0	0	0	0	0
	(ii)	630,680	266,833	124,071	150,278	19,598	1,191,460	0
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

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
<p>SCHEDULE J, PART I, LINE 3 - ARRANGEMENT USED TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION</p>	<p>NORTON HEALTHCARE INC (NHC) EIN 61-1028725 IS THE PARENT ORGANIZATION FOR NORTON HEALTHCARE FOUNDATION, INC AND THEREFORE ESTABLISHES COMPENSATION FOR THE CEO, OFFICERS AND KEY EMPLOYEES THROUGH ENGAGING WITH THE EXECUTIVE COMMITTEE OF NHC; AN INDEPENDENT COMPENSATION CONSULTANT; REVIEW OF OTHER ORGANIZATION'S FORM 990; WRITTEN EMPLOYMENT AGREEMENTS; THIRD PARTY COMPENSATION SURVEYS AND APPROVAL BY THE EXECUTIVE COMMITTEE AND BOARD. SEE NARRATIVE IN SCHEDULE O, REFERENCING PART VI, LINE 15 WHICH FURTHER DESCRIBES THE PROCESS FOR DETERMINING COMPENSATION FOR THE ORGANIZATION.</p>
<p>SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN</p>	<p>THE FOLLOWING INTERESTED PERSONS PARTICIPATED IN OR RECEIVED PAYMENT FROM SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS AS DESCRIBED IN IRC SECTION 457(F). THE INTERESTED PERSONS BELOW MAY HAVE PARTICIPATED IN ONE OR MORE OF THE FOLLOWING PLANS: THE EXECU-PLUS BENEFIT PLAN, DEFINED BENEFIT AND DEFINED CONTRIBUTION RESTORATION PLANS, AND THE PHYSICIAN DEFERRED PLAN.</p> <p>THE "PAY CREDIT" OUTLINED BELOW REPRESENTS A REASONABLE ESTIMATE OF THE ANNUAL INCREASE IN ACTUARIAL VALUE OF THE PLANS; AND THEREFORE, REPRESENTS THE ORGANIZATION'S CONTRIBUTION TO THE VALUE OF THE BENEFITS.</p> <p>NAME - PAY CREDIT RUSSELL F. COX - \$345,765 MICHAEL W. GOUGH - \$228,527 ROBERT AZAR - \$127,409 ADAM KEMPF - \$153,943</p> <p>THE "PAYMENT RECEIVED" OUTLINED BELOW REPRESENTS CASH PAYMENTS THAT THE EMPLOYEE RECEIVED DURING 2023 AND CAN BE COMPRISED OF CURRENT AND OR PRIOR YEARS EMPLOYEE AND EMPLOYER CONTRIBUTIONS.</p> <p>NAME - PAYMENT RECEIVED RUSSELL F. COX - \$283,857 MICHAEL W. GOUGH - \$114,222 ROBERT AZAR - \$68,880 ADAM KEMPF - \$63,188</p>
<p>SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS</p>	<p>IN 2023, NORTON HEALTHCARE, INC. (NHC) HAD IN PLACE A VARIABLE COMPENSATION PLAN FOR EXECUTIVES, ELIGIBILITY UNDER WHICH EXTENDED TO EMPLOYEES HOLDING A FULL-TIME POSITION AS SENIOR OFFICER, OFFICER, SYSTEM DIRECTOR OR OTHER DESIGNATED DIRECTOR LEVEL POSITION. UNDER THE PLAN, A VARIABLE COMPENSATION POOL AMOUNT IS APPROVED BY THE BOARD OF TRUSTEES. EACH PARTICIPANT'S PERFORMANCE IS EVALUATED RELATIVE TO THE GOALS AND OBJECTIVES DOCUMENTED AS PART OF THE PARTICIPANT'S PLAN; AND AN AWARD IS DETERMINED FOR THE PARTICIPANT, BASED ON ACHIEVEMENT OF THE GOALS AND OBJECTIVES, SUBJECT TO THE FUNDING OF THE VARIABLE COMPENSATION POOL. AT THE END OF EACH YEAR, THE COMMITTEE ON EXECUTIVE COMPENSATION AND BENEFITS DETERMINES AN APPROPRIATE AWARD FOR THE NHC'S PRESIDENT & CHIEF EXECUTIVE OFFICER, AND THE PRESIDENT & CHIEF EXECUTIVE OFFICER RECOMMENDS APPROPRIATE AWARDS FOR OTHER SENIOR EXECUTIVES TO THE COMMITTEE ON EXECUTIVE COMPENSATION AND BENEFITS FOR ITS REVIEW AND APPROVAL.</p>

**SCHEDULE O
(Form 990)**

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

2023

Open to Public Inspection

Name of the Organization
NORTON HEALTHCARE-INDIANA, INC.

Employer Identification Number
85-0513259

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 2 - NEW PROGRAM SERVICES	ON SEPTEMBER 29, 2023 NORTON HEALTHCARE-INDIANA, INC. ACQUIRED THE OWNERSHIP INTERESTS OF CLARK MEMORIAL HOSPITAL, CLARK MEMORIAL HOSPITAL OTHER HEALTH CARE FACILITIES, SCOTT MEMORIAL HOSPITAL, AND SCOTT MEMORIAL HOSPITAL OTHER HEALTH CARE FACILITIES.
FORM 990, PART III, LINE 3 - SIGNIFICANT CHANGES IN PROGRAM SERVICES	ON SEPTEMBER 29, 2023 NORTON HEALTHCARE-INDIANA, INC. ACQUIRED THE OWNERSHIP INTERESTS OF CLARK MEMORIAL HOSPITAL, CLARK MEMORIAL HOSPITAL OTHER HEALTH CARE FACILITIES, SCOTT MEMORIAL HOSPITAL, AND SCOTT MEMORIAL HOSPITAL OTHER HEALTH CARE FACILITIES.
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	OBSERVATION CASES. IN ADDITION, NHC-IN'S OPERATING ROOMS CARED FOR 491 INPATIENT SURGICAL PATIENTS AND 1,795 OUTPATIENT SURGICAL PATIENTS. ADDITIONALLY, 251 DELIVERIES WERE PERFORMED AT NHC-IN.
FORM 990, PART VI, LINE 1A - DELEGATE BROAD AUTHORITY TO A COMMITTEE	THE EXECUTIVE COMMITTEE SHALL POSSESS AND MAY EXERCISE ALL THE POWERS AND AUTHORITY OF THE BOARD OF TRUSTEES IN THE MANAGEMENT AND DIRECTION OF THE BUSINESS AND AFFAIRS OF THE CORPORATION. HOWEVER, THE EXECUTIVE COMMITTEE DOES NOT POSSESS THE AUTHORITY TO DO THE FOLLOWING: A) FILL VACANCIES ON THE BOARD; B) CHANGE THE MEMBERSHIP OF THE EXECUTIVE COMMITTEE; C) MAKE DECISIONS TO MERGE, LIQUIDATE, OR OTHERWISE MAKE DECISIONS OUTSIDE OF THE NORMAL COURSE OF BUSINESS; D) MAKE FINAL DETERMINATIONS OF LONG-TERM POLICY; E) HIRE OR FIRE THE CHIEF EXECUTIVE OFFICER; AND F) AMEND THE ARTICLES OF INCORPORATION OR BYLAWS.
FORM 990, PART VI, LINE 2 - FAMILY/BUSINESS RELATIONSHIPS AMONGST INTERESTED PERSONS	RUSSELL F. COX, ROBERT B. AZAR, ADAM D. KEMPF, AND MICHAEL W. GOUGH (OFFICERS, NORTON ENTERPRISES, INC.) – BUSINESS RELATIONSHIP - BUSINESS RELATIONSHIP
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	NORTON HEALTHCARE, INC. (EIN 61-1028725) IS THE SOLE MEMBER OF NORTON HEALTHCARE - INDIANA, INC.
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	THE BOARD OF TRUSTEES OF NORTON HEALTHCARE, INC. APPOINTS THE TRUSTEES OF THE ORGANIZATION.
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	ACCORDING TO THE ARTICLES OF INCORPORATION OF THE ORGANIZATION, NORTON HEALTHCARE, INC. (NHC), THE SOLE MEMBER, POSSESSES ALL OF THE RIGHTS GRANTED TO A MEMBER PURSUANT TO LAW, INCLUDING THE RIGHT TO ELECT TRUSTEES OR DIRECTORS AND APPROVE AMENDMENTS TO THE ARTICLES OF INCORPORATION OF THE ORGANIZATION. NHC ALSO POSSESSES THE RIGHT TO REQUIRE THE ORGANIZATION TO (I) PROVIDE CONTRIBUTIONS OF FUNDS OF THE ORGANIZATION TO PAY ALL TO A PORTION OF THE PRINCIPLE OF, INTEREST ON, AND ALL OTHER PAYMENTS TO BECOME DUE AND OWING WITH RESPECT TO ANY AND ALL INDEBTEDNESS INCURRED BY NHC, AND (II) PROVIDE SECURITY FOR SUCH INDEBTEDNESS.
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	AT THE OCTOBER 3, 2024 NORTON HEALTHCARE, INC. (NHC) FINANCE COMMITTEE MEETING AND AT THE OCTOBER 17, 2024 NHC BOARD OF TRUSTEES MEETING, THE 990S WERE DISCUSSED AND COMMITTEE MEMBERS AND TRUSTEES HAD AN OPPORTUNITY TO ASK QUESTIONS. COINCIDING WITH THE FINANCE COMMITTEE MEETING, ELECTRONIC COPIES OF THE 990S WERE MADE AVAILABLE TO ALL MEMBERS OF THE FINANCE COMMITTEE AND BOARD OF TRUSTEES THROUGH THE DIRECTORS PORTAL SITE, PRIOR TO THE FILING WITH THE IRS. NHC IS THE PARENT OF COMMUNITY MEDICAL ASSOCIATES, INC., NORTON HOSPITALS, INC., NORTON PROPERTIES, INC., NORTON HEALTHCARE FOUNDATION, INC., THE CHILDREN'S HOSPITAL FOUNDATION, INC., NORTON KING'S DAUGHTERS' HEALTH, INC., AND NORTON HEALTHCARE-INDIANA, INC.
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY BY ANNUALLY DISTRIBUTING A QUESTIONNAIRE THAT REQUIRES OFFICERS, TRUSTEES, AND KEY EMPLOYEES TO DISCLOSE INTERESTS THAT MAY GIVE RISE TO CONFLICTS. IF A CONFLICT ARISES, THE POLICY PROVIDES PROCEDURES FOR ADDRESSING CONFLICTS TO ENSURE DECISIONS ARE MADE IN THE BEST INTEREST OF THE ORGANIZATION
FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	THE TOP MANAGEMENT OFFICIAL IS PAID BY A RELATED ORGANIZATION. PLEASE SEE THE EXPLANATION PROVIDED FOR FORM 990, PART VI, LINE 15B.

Return Reference - Identifier	Explanation																													
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES	<p>THE ORGANIZATION TAKES ALL NECESSARY STEPS TO ENSURE THAT COMPENSATION FOR ALL OFFICERS, DIRECTORS, AND KEY EMPLOYEES IS REASONABLE AND APPROPRIATE FOR THE SERVICES PROVIDED TO THE ORGANIZATION. THE ORGANIZATION PROVIDES A TOTAL COMPENSATION PACKAGE THAT IS ON PAR WITH COMPENSATION PROVIDED BY SIMILAR ORGANIZATIONS AND WHICH CONFORMS TO THE POLICIES AND GUIDELINES SET OUT BY THE BOARD OF TRUSTEES.</p> <p>NORTON HEALTHCARE, INC. (NHC) ENGAGES AN OUTSIDE INDEPENDENT COMPENSATION CONSULTANT, GALLAGHER, TO PROVIDE COMPARABILITY DATA, INCLUDING REVIEW OF OTHER HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS THAT HAVE FILED FORM 990S. FOR NHC'S OFFICERS AND KEY EMPLOYEES ON TOTAL COMPENSATION FOR SIMILAR POSITIONS AT HEALTH SYSTEMS AND HOSPITAL ORGANIZATIONS SIMILAR IN SIZE, SCOPE OF SERVICES, AND CIRCUMSTANCES. IN ADDITION, THE ORGANIZATION PARTICIPATES IN THIRD PARTY SURVEYS WHICH PROVIDE AGGREGATE, COMPARATIVE COMPENSATION DATA FOR OFFICERS AND KEY EMPLOYEES IN SIMILAR POSITIONS AND SIMILAR ORGANIZATIONS.</p> <p>GALLAGHER CONSULTANTS PRESENTED AND DISCUSSED THIS COMPARABILITY DATA IN 2022 FOR THE 2023 COMPENSATION REVIEW AND MET IN 2023 FOR THE 2024 COMPENSATION REVIEW WITH THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES (BOARD). THE COMMITTEE REVIEWED THE EXECUTIVE COMPENSATION AND BENEFITS PROGRAM, DETERMINED TOTAL COMPENSATION FOR THE CEO, AND APPROVED COMPENSATION FOR OTHER OFFICERS AND KEY EMPLOYEES. THE COMMITTEE REVIEWED NHC'S VARIABLE COMPENSATION PROGRAM AND DETERMINED APPROPRIATE AWARDS FOR PERFORMANCE RELATIVE TO GOALS SET FOR THE YEAR. AFTER THE COMMITTEE DETERMINED APPROPRIATE COMPENSATION AND BENEFITS FOR OFFICERS AND KEY EMPLOYEES, THE BOARD APPROVED THEIR TOTAL COMPENSATION.</p>																													
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	<p>CONSOLIDATED FINANCIAL STATEMENTS ARE AVAILABLE HERE: HTTPS://NORTONHEALTHCARE.COM/ABOUT-US/FINANCIAL-INFORMATION/. GOVERNING DOCUMENTS, AND CONFLICTS OF INTEREST POLICIES ARE NOT REQUIRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104. THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC.</p>																													
FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (E) - BOARD MEMBER STIPEND PAYMENTS	<p>NORTON HEALTHCARE, INC. (NHC) AND AFFILIATES (NORTON HOSPITALS, INC., COMMUNITY MEDICAL ASSOCIATES, INC., NORTON PROPERTIES, INC., NORTON HEALTHCARE FOUNDATION, INC., THE CHILDREN'S HOSPITAL FOUNDATION, INC., NORTON KING'S DAUGHTERS' HEALTH, INC., AND NORTON HEALTHCARE-INDIANA, INC.) ENCOURAGES AND FACILITATES BOARD MEMBER ATTENDANCE AT EDUCATIONAL PROGRAMS AND CONFERENCES ON SUBJECTS RELEVANT TO NHC. NHC'S TRAVEL POLICY FOR BOARD OF TRUSTEES PROVIDES THAT FOR EACH TRUSTEE THAT ATTENDS AT LEAST ONE OUT OF TOWN EDUCATIONAL CONFERENCE, A LUMP SUM STIPEND WILL BE PAID TO COVER UNREIMBURSED TRAVEL EXPENSE AND OTHER MISCELLANEOUS EXPENSES ASSOCIATED WITH CONFERENCE PREPARATION, ATTENDANCE OR FOLLOW UP. IN COMPLIANCE WITH IRS REGULATIONS, NHC PROVIDES A FORM 1099 TO ANY TRUSTEE THAT RECEIVES A STIPEND. THESE AMOUNTS HAVE BEEN REPORTED IN PART VII ON THE FORM 990 AS REPORTABLE COMPENSATION TO THE TRUSTEE RECEIVING STIPENDS IN 2023.</p>																													
FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES	<table border="1"> <thead> <tr> <th data-bbox="467 1115 751 1184">(a) Description</th> <th data-bbox="760 1115 946 1184">(b) Total Expenses</th> <th data-bbox="954 1115 1133 1184">(c) Program Service Expenses</th> <th data-bbox="1141 1115 1320 1184">(d) Management and General Expenses</th> <th data-bbox="1328 1115 1513 1184">(e) Fundraising Expenses</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 1194 751 1220">CONTRACT LABOR</td> <td data-bbox="760 1194 946 1220">1,695,242</td> <td data-bbox="954 1194 1133 1220">1,695,242</td> <td data-bbox="1141 1194 1320 1220"></td> <td data-bbox="1328 1194 1513 1220"></td> </tr> <tr> <td data-bbox="467 1230 751 1255">PROFESSIONAL FEES</td> <td data-bbox="760 1230 946 1255">2,795,782</td> <td data-bbox="954 1230 1133 1255">2,795,782</td> <td data-bbox="1141 1230 1320 1255"></td> <td data-bbox="1328 1230 1513 1255"></td> </tr> <tr> <td data-bbox="467 1266 751 1304">FEES AND SPECIAL SERVICES</td> <td data-bbox="760 1266 946 1304">5,264,393</td> <td data-bbox="954 1266 1133 1304">5,264,393</td> <td data-bbox="1141 1266 1320 1304"></td> <td data-bbox="1328 1266 1513 1304"></td> </tr> <tr> <td data-bbox="467 1314 751 1331">Total</td> <td data-bbox="760 1314 946 1331">9,755,417</td> <td data-bbox="954 1314 1133 1331">9,755,417</td> <td data-bbox="1141 1314 1320 1331">0</td> <td data-bbox="1328 1314 1513 1331">0</td> </tr> </tbody> </table>					(a) Description	(b) Total Expenses	(c) Program Service Expenses	(d) Management and General Expenses	(e) Fundraising Expenses	CONTRACT LABOR	1,695,242	1,695,242			PROFESSIONAL FEES	2,795,782	2,795,782			FEES AND SPECIAL SERVICES	5,264,393	5,264,393			Total	9,755,417	9,755,417	0	0
(a) Description	(b) Total Expenses	(c) Program Service Expenses	(d) Management and General Expenses	(e) Fundraising Expenses																										
CONTRACT LABOR	1,695,242	1,695,242																												
PROFESSIONAL FEES	2,795,782	2,795,782																												
FEES AND SPECIAL SERVICES	5,264,393	5,264,393																												
Total	9,755,417	9,755,417	0	0																										

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTON HEALTHCARE-INDIANA, INC.

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

2023

Open to Public Inspection

Employer identification number

85-0513259

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) (SEE STATEMENT)					
(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) NORTON HEALTHCARE, INC. (61-1028725) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE ADMINISTRATIVE AND SUPPORT SERVICES	KY	501(C)(3)	12 TYPE II	N/A		✓
(2) NORTON HOSPITALS, INC. (61-0703799) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE HOSPITAL SERVICES	KY	501(C)(3)	3	NORTON HEALTHCARE, INC.		✓
(3) COMMUNITY MEDICAL ASSOCIATES, INC. (61-1276316) ACCOUNTING 224 E BROADWAY 5TH, FLOOR, LOUISVILLE, KY 40202	OPERATES A NETWORK OF PHYSICIAN PRACTICES	KY	501(C)(3)	10	NORTON HEALTHCARE, INC.		✓
(4) NORTON PROPERTIES, INC. (61-1028724) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	MAINTAIN OFFICE AND PARKING FACILITIES	KY	501(C)(3)	12 TYPE I	NORTON HEALTHCARE, INC.		✓
(5) THE CHILDREN'S HOSPITAL FOUNDATION, INC. (61-6027530) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(C)(3)	7	NORTON HEALTHCARE, INC.		✓
(6) NORTON HEALTHCARE FOUNDATION, INC. (31-0914919) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	GENERATE FUNDS TO SUPPORT PROGRAMS AND SERVICES	KY	501(C)(3)	7	NORTON HEALTHCARE, INC.		✓
(7) NORTON KING'S DAUGHTERS' HEALTH, INC. (35-0895832) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE HOSPITAL SERVICES	IN	501(C)(3)	3	NORTON HEALTHCARE-INDIANA, INC.	✓	

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

Cat. No. 50135Y

Schedule R (Form 990) 2023

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)-----												
(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)				
(2)				
(3)				
(4)				
(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 I

Identification of Disregarded Entities (continued)

(a) Name, address and EIN 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
(6) NORTON CLARK HOSPITAL, LLC (47-4000401) ACCOUNTING, 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE HOSPITAL SERVICES	IN	40,107,510	97,104,669	THE REGIONAL HEALTH NETWORK OF KENTUCKY AND SOUTHERN INDIANA, LLC
(7) NORTON CLARK PHYSICIAN PRACTICES, LLC (61-1764853) ACCOUNTING, 2224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE PHYSICIAN SERVICES	IN	5,227,991	6,707,344	THE REGIONAL HEALTH NETWORK OF KENTUCKY AND SOUTHERN INDIANA, LLC
(8) NORTON SCOTT HOSPITAL, LLC (46-1113518) ACCOUNTING, 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE HOSPITAL SERVICES	IN	4,944,088	9,176,140	THE REGIONAL HEALTH NETWORK OF KENTUCKY AND SOUTHERN INDIANA, LLC
(9) NORTON SCOTT PHYSICIAN PRACTICES, LLC (37-1705734) ACCOUNTING, 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE PHYSICIAN SERVICES	IN	170,658	153,330	THE REGIONAL HEALTH NETWORK OF KENTUCKY AND SOUTHERN INDIANA, LLC
(10) THE REGIONAL HEALTH NETWORK OF KENTUCKY AND SOUTHERN INDIANA, LLC (80-0835692) ACCOUNTING, 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	PROVIDE HOSPITAL AND PHYSICIAN PRACTICE SERVICES	IN	0	0	NORTON HEALTHCARE-INDIANA, INC.

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) NORTON ENTERPRISES, INC. (61-1054301) ACCOUNTING 224 E BROADWAY, 5TH FLOOR, LOUISVILLE, KY 40202	INVESTS IN PARTNERSHIPS THAT PROVIDE MEDICAL SERVICES	KY	NORTON HEALTHCARE, INC.	C CORPORATION	N/A	N/A	N/A		✓

COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Norton Healthcare, Inc. and Affiliates
Years Ended December 31, 2023 and 2022
With Report of Independent Auditors

Ernst & Young LLP



Norton Healthcare, Inc. and Affiliates

Combined Financial Statements and Supplementary Information

Years Ended December 31, 2023 and 2022

Contents

Report of Independent Auditors..... 1

Combined Financial Statements

Combined Balance Sheets..... 3

Combined Statements of Operations and Changes in Net Assets..... 5

Combined Statements of Cash Flows 7

Notes to Combined Financial Statements 8

Supplementary Information

Report of Independent Auditors on Supplementary Information 61

Combining Balance Sheet..... 62

Combining Statement of Operations and Changes in Net Assets without Donor
Restrictions 64



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Report of Independent Auditors

The Board of Trustees
Norton Healthcare, Inc. and Affiliates

Opinion

We have audited the combined financial statements of Norton Healthcare, Inc. and Affiliates (the Corporation), which comprise the combined balance sheets as of December 31, 2023 and 2022, and the related combined statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Corporation at December 31, 2023 and 2022, and the combined results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation’s ability to continue as a going concern for one year after the date that the financial statements are issued.

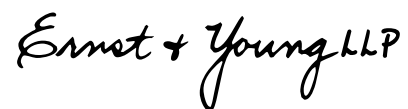
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



April 4, 2024

Norton Healthcare, Inc. and Affiliates

Combined Balance Sheets

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 265,263	\$ 257,073
Marketable securities and other investments	72,983	70,607
Patient accounts receivable	478,595	355,399
Inventory	82,342	80,879
Prepaid expenses and other	83,036	73,593
Due from third-party payors, net	138,737	21,301
Miscellaneous receivables	41,118	41,103
Current portion of assets limited as to use	29,218	27,281
Total current assets	<u>1,191,292</u>	<u>927,236</u>
Assets limited as to use, net of current portion	2,074,655	2,125,073
Property and equipment, net	1,489,940	1,390,476
Other assets:		
Investments in joint ventures	13,286	24,809
Pledges receivable, net	25,135	30,683
Beneficial interest in trusts held by others	25,317	23,492
Goodwill and indefinite-lived intangible assets	24,111	21,448
Interest rate swaps asset	29,905	11,670
Operating lease right-of-use assets, net	182,925	170,565
Other assets	32,678	28,881
Total other assets	<u>333,357</u>	<u>311,548</u>
Total assets	<u>\$ 5,089,244</u>	<u>\$ 4,754,333</u>

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 104,562	\$ 116,219
Accrued expenses and other	136,870	140,883
Current portion of operating lease liability	26,600	25,314
Accrued payroll and related items	237,089	243,942
Commercial paper	–	25,000
Accrued interest	12,940	12,891
Current portion of long-term debt	51,198	174,709
Total current liabilities	<u>569,259</u>	<u>738,958</u>
Other non-current liabilities:		
Pension liability	43,385	52,270
Insurance liability	94,742	95,580
Long-term operating lease liability, net of current portion	157,444	145,714
Other	120,545	92,155
Total other non-current liabilities	<u>416,116</u>	<u>385,719</u>
Long-term debt, net of current portion	1,609,327	1,365,790
Net assets:		
Without donor restrictions	2,332,531	2,108,417
With donor restrictions	162,011	155,449
Total net assets	<u>2,494,542</u>	<u>2,263,866</u>
Total liabilities and net assets	<u>\$ 5,089,244</u>	<u>\$ 4,754,333</u>

See accompanying notes.

Norton Healthcare, Inc. and Affiliates

Combined Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Revenue:		
Net patient service revenue	\$ 3,955,552	\$ 3,471,972
CARES Act and ARP Provider Relief Funds	–	61,056
Other revenue	56,079	58,158
Donations and contributions	19,602	18,098
Joint venture loss	(5,185)	(1,413)
Total revenue	<u>4,026,048</u>	<u>3,607,871</u>
Operating expenses:		
Labor and benefits	2,131,446	1,950,757
Professional fees	160,888	139,986
Drugs and supplies	933,520	836,238
Fees and special services	184,986	167,481
Repairs, maintenance, and utilities	148,236	127,625
Rent and leases	55,843	52,664
Insurance	43,164	26,934
Provider tax	114,632	59,233
Other	32,882	29,785
Total operating expenses	<u>3,805,597</u>	<u>3,390,703</u>
Earnings before fixed expenses and other gains	220,451	217,168
Fixed expenses:		
Depreciation and amortization	152,547	152,271
Interest expense	54,695	50,691
Interest rate swaps benefit, net	(3,780)	(3,934)
	<u>203,462</u>	<u>199,028</u>
Patient service margin	16,989	18,140

Norton Healthcare, Inc. and Affiliates

Combined Statements of Operations and Changes in Net Assets (continued)

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Patient service margin	\$ 16,989	\$ 18,140
Investment gain	49,345	57,995
Operating gain	<u>66,334</u>	<u>76,135</u>
Non-operating gains (losses):		
Change in net unrealized gains (losses) on investments	144,478	(304,959)
Change in fair value of interest rate swaps	18,235	14,826
Petersdorf Fund grants	(749)	(6,400)
Net periodic pension cost	(5,171)	(1,619)
Other non-operating losses, net	(15,283)	(1,520)
Total non-operating gains (losses), net	<u>141,510</u>	<u>(299,672)</u>
Excess of revenue over expenses (expenses over revenue) before excess of net assets acquired over consideration paid for King's Daughters' Health, Inc.	207,844	(223,537)
Excess of net assets acquired over consideration paid for King's Daughters Health, Inc.	–	133,667
Excess of revenue over expenses (expenses over revenue)	<u>207,844</u>	<u>(89,870)</u>
Net assets without donor restrictions:		
Change in pension plan assets and obligation	14,057	(6,060)
Net assets released from restriction for equipment and other	2,213	4,156
Increase (decrease) in net assets without donor restrictions	<u>224,114</u>	<u>(91,774)</u>
Net assets with donor restrictions:		
Contributions, fees, grants, bequests, net	10,843	34,903
Investment gain	3,246	2,629
Change in beneficial interest in trusts held by others	1,945	(6,692)
Change in net unrealized gains (losses) on investments	5,963	(10,420)
Net assets released from restriction	(15,435)	(17,553)
Increase in net assets with donor restrictions	<u>6,562</u>	<u>2,867</u>
Increase (decrease) in net assets	230,676	(88,907)
Net assets at beginning of year	<u>2,263,866</u>	<u>2,352,773</u>
Net assets at end of year	<u>\$ 2,494,542</u>	<u>\$ 2,263,866</u>

See accompanying notes.

Norton Healthcare, Inc. and Affiliates

Combined Statements of Cash Flows

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Operating activities		
Increase (decrease) in net assets	\$ 230,676	\$ (88,907)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	152,547	152,271
Premium amortization	(6,851)	(8,721)
Change in net unrealized (gains) losses on investments	(150,441)	315,379
Loss on remeasurement of equity method investment	7,980	–
Excess of net assets acquired over consideration paid for King's Daughters' Health, Inc.	–	(133,667)
Loss on extinguishment of debt	4,303	1,523
Change in fair value of interest rate swaps	(18,235)	(14,826)
Change in pension plan asset and obligation	(14,057)	6,060
Restricted contributions and investment gain	(16,013)	(30,845)
Cash (used in) provided by operating assets and liabilities:		
Change in patient accounts receivable	(123,196)	(29,794)
Change in assets limited as to use, net	198,922	(24,530)
Change in amounts due to from/to third-party payors	(113,611)	(3,383)
Change in marketable securities and other investments	(2,376)	102,559
Change in other current and non-current assets and liabilities	(5,740)	(83,275)
Net cash provided by operating activities	<u>143,908</u>	<u>159,844</u>
Investing activities		
Purchase of property and equipment	(198,552)	(130,706)
Acquisition of The Regional Health Network of Kentucky and Southern Indiana LLC, net of cash acquired	(36,711)	–
Acquisition and prefunding of King's Daughters' Health, net of cash acquired	–	(14,522)
Change in joint ventures and other	(9,633)	6,209
Net cash used in investing activities	<u>(244,896)</u>	<u>(139,019)</u>
Financing activities		
Issuance of long-term debt	452,005	82,810
Refunding of long-term debt	(310,228)	(88,982)
Principal payments on long-term debt	(19,166)	(47,910)
Cost of long-term debt issuance	(3,310)	(411)
Issuance of commercial paper	23,864	25,000
Repayment of commercial paper	(50,000)	–
Restricted contributions and investment gain	16,013	30,845
Net cash provided by financing activities	<u>109,178</u>	<u>1,352</u>
Increase in cash and cash equivalents	8,190	22,177
Cash and cash equivalents at beginning of year	257,073	234,896
Cash and cash equivalents at end of year	<u>\$ 265,263</u>	<u>\$ 257,073</u>

See accompanying notes.

Norton Healthcare, Inc. and Affiliates
Notes to Combined Financial Statements

December 31, 2023

1. Description of Organization and Summary of Significant Accounting Policies

Organization

The accompanying combined financial statements of Norton Healthcare, Inc. include the transactions and accounts of Norton Healthcare, Inc. (the controlling company) and Affiliates, including the following: Norton Hospitals, Inc.; Norton Healthcare – Indiana, Inc.; Norton Enterprises, Inc.; Norton Properties, Inc.; The Children’s Hospital Foundation, Inc.; Norton Healthcare Foundation, Inc.; and Community Medical Associates, Inc. Norton Healthcare, Inc. and Affiliates are collectively hereafter referred to as the Corporation. The Corporation operates in the Louisville, Kentucky metropolitan area, and its operations include 2,254 licensed beds, 18 Norton Immediate Care Centers, and providing care at more than 370 locations throughout Kentucky and southern Indiana.

All significant intercompany transactions and accounts have been eliminated in combination.

Use of Estimates

The preparation of the combined financial statements in accordance 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Liquidity

As a business-oriented not-for-profit that is not solely dependent on donor contributions, the capital needs of the Corporation and operating budgets are coordinated so that anticipated cash needs are provided by current cash flow from operations, supplemented from time to time by debt financing. Included within current assets on the combined balance sheets are financial assets available for general expenditure within one year of December 31, and include cash and cash equivalents, marketable securities and other investments, patient accounts receivable, and the current portion of assets limited as to use. See additional information with respect to these financial assets in Note 1 and Note 4. As part of the Corporation’s management of liquidity, certain cash and cash equivalents in excess of operating requirements for general expenditures are transferred

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

to assets limited as to use. The Corporation's long-term assets limited as to use contain various investments that can be drawn upon, if necessary, to meet the liquidity needs of the Corporation within the next fiscal year. See Note 4 for additional information as it relates to assets limited as to use.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and highly liquid investments that are neither internally nor externally restricted.

The Corporation considers highly liquid investments to be cash equivalents when they are both readily convertible to cash and so near to maturity (typically within three months) that their value is not subject to risk due to changes in interest rates. Highly liquid investments with original short-term maturities of less than three months that are included as assets limited as to use are excluded from cash equivalents as they are commingled with longer-term investments. Cash and cash equivalents carried on the combined balance sheets approximates fair value at both December 31, 2023 and 2022.

Marketable Securities and Other Investments

Marketable securities and other investments consist primarily of marketable debt securities that are used by the Corporation to support short-term operational and capital needs. As of December 31, 2023 and 2022, \$27.4 million and \$23.8 million, respectively, included underlying obligations whose maturities are greater than one year from the date of the combined balance sheets. Due to the markets in which these securities are traded, the Corporation believes the securities can be liquidated at their fair value without restriction and, therefore, has included the securities as current assets.

Inventory

Inventories (predominately medical and surgical supplies and pharmaceuticals) are primarily carried at the lower of cost (first-in, first-out method) or net realizable value.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Assets Limited as to Use and Investment Return

Assets limited as to use include a portfolio of investments that are set aside by the Board of Trustees (the Board) for future services, indigent care, education, research, and community health initiatives over which the Board retains control and may, at its discretion, subsequently use for other purposes. This portfolio of investments also includes assets restricted by donors. The Corporation utilizes a pooled investment program (the Master Trust Fund) to manage this portfolio of investments. Income is allocated to each entity based on its investment balance to the total investment balance by type of investment. All entities that participate in the Master Trust Fund are included in these combined financial statements. Other investments within assets limited as to use include assets held by trustees under a self-insurance trust agreement and assets under bond indenture trust agreements. Amounts required to meet current liabilities of the Corporation have been classified as current in the combined balance sheets at December 31, 2023 and 2022.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the combined balance sheets.

All investment securities are considered trading. Included in investment gain are interest, dividends, realized gains and losses on investments, and changes in the value of investments carried at net asset value (NAV). Investment gain and the change in net unrealized gains (losses) on investments are included in the excess of revenue over expenses (expenses over revenue) unless a donor or law restricts the income or loss.

Alternative investments, including hedge funds, real estate funds, and private equity funds, are recorded under the equity method of accounting using NAV. The NAV of the alternative investments is based on valuations provided by the administrators of the specific alternative investment. The underlying investments in these alternative investments may include marketable debt and equity securities, commodities, foreign currencies, derivatives, and private equity investments. The underlying investments themselves are subject to various risks, including market, credit, liquidity, and foreign exchange risk. The Corporation believes the NAV is a reasonable estimate of its ownership interest in the respective alternative investments. The Corporation's risk of alternative investments is limited to its carrying value plus amounts committed to private equity funds as disclosed in Note 4. Alternative investments can be divested only at specified times in

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

accordance with terms of the subscription agreements. Hedge fund redemptions typically contain restrictions that allow for a portion of the withdrawal proceeds to be held back from distribution when the underlying investments are liquidated subject to final valuation following the availability of the hedge fund's next audited financial statements. These types of redemptions are subject to lock-up provisions that are generally imposed on the initial investment in the fund for a period of time. Private equity funds and real estate funds are generally closed-end funds and have significant redemption restrictions that prohibit redemptions during the real estate or private equity fund's life. The financial statements of all of the Corporation's alternative investments are audited annually. Because these alternative investments are not readily marketable, the estimated carrying value is subject to uncertainty, and, therefore, may differ from the value that would have been used had a market for such alternative investments existed. The change in the carrying value of the alternative investments is included in investment gain in the combined statements of operations and changes in net assets.

The Corporation has elected to account for common and collective trust funds at fair value as allowed under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 825, *Financial Instruments*. The Corporation believes that this election is appropriate given the nature of its common and collective trust funds and their similarity to mutual funds.

Fair Value of Financial Instruments

The Corporation follows the provisions of ASC 820, *Fair Value Measurement* (ASC 820), which 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 at the measurement date and establishes a framework for measuring fair value. ASC 820 defines a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, as noted above, ASC 820 defines a three-level fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

the reporting entity's own assumptions about market participants. The fair value hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Inputs utilize quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset and liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 – Inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. In order to meet the requirements of ASC 820, the Corporation utilizes three basic valuation approaches to determine the fair value of its assets and liabilities required to be recorded at fair value. The first approach is the cost approach. The cost approach is generally the value a market participant would expect to pay to replace the respective asset or liability. The second approach is the market approach. The market approach looks at what a market participant would consider an exact or similar asset or liability to that of the Corporation, including those traded on exchanges, to determine value. The third approach is the income approach. The income approach uses estimation techniques to determine the estimated future cash flows of the Corporation's respective asset or liability expected by a market participant and discounts those cash flows back to present value (more typically referred to as a discounted cash flow approach).

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost, or at fair value on the acquisition date if obtained through acquisition and the measurement period is complete. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed primarily using the straight-line method. Land improvements are depreciated over a range of 2 to 30 years. Buildings and equipment are depreciated over a range of 1 to 40 years. Costs incurred in the development and installation of internal-use software are expensed if they are incurred in the preliminary project stage or post-implementation stage, while certain costs are capitalized if incurred during the application development stage. Internal-use software is amortized over its expected useful life, generally between 1 and 10 years, with amortization beginning when the project is completed and the software is placed in service.

Useful lives of assets are determined through consultation of the American Hospital Association's *Life of Depreciable Hospital Assets* and in consideration of how the Corporation intends to use the asset or has used similar assets in the past.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions and are excluded from the excess of revenue over expenses (expenses over revenue). Such gifts are recorded at fair value at the date of donation. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

The Corporation evaluates long-lived assets used in operations for impairment as events and changes in circumstances indicate that the carrying amount of such assets might not be recoverable. Assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of the cash flows of other groups of assets. Impairment write-downs are recognized in the combined statements of operations and changes in net assets at the time the impairment is identified. There was no loss on impairment of property and equipment recognized for the years ended December 31, 2023 or 2022.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Leases

The Corporation leases property and equipment under finance and operating leases. The Corporation determines whether an arrangement is a lease at inception. Right-of-use assets and lease liabilities are recognized for leases with terms greater than 12 months based on the net present value of the future minimum lease payments over the lease term at commencement date. When readily determinable, the Corporation uses the interest rate implicit in the lease to determine the present value of future minimum lease payments. However, most of the Corporation's leases do not have a readily determinable implicit interest rate. For these leases, the Corporation's estimated incremental borrowing rate is used. The right-of-use asset and lease liability include a value for options to extend a lease if it is reasonably certain that the option will be exercised.

Operating lease liabilities and related right-of-use assets, net are included in current portion and non-current portion of operating lease liability and operating lease right-of-use assets, net on the combined balance sheets. Operating lease expense is recognized on a straight-line basis over the lease term and is included in rent and lease expense in the combined statements of operations and changes in net assets.

Finance lease liabilities and related right-of-use assets, net are included in current portion and non-current portion of long-term debt and property and equipment, net on the combined balance sheets. Finance lease right-of-use assets, net are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the property or equipment. Such amortization expense is included in depreciation and amortization in the combined statements of operations and changes in net assets.

Investments in Joint Ventures

The Corporation maintains an ownership percentage of 50% or less in various joint ventures and other companies that do not require combination. These investments are primarily accounted for using the equity method of accounting.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

The following is a summary of the investments in joint ventures:

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
The Regional Health Network of Kentucky and Southern Indiana, LLC <i>(Note 14)</i>	\$ —	\$ 10,952
Other	13,286	13,857
	\$ 13,286	\$ 24,809

The following is a summary of joint venture (loss) income:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
The Regional Health Network of Kentucky and Southern Indiana, LLC <i>(Note 14)</i>	\$ (6,277)	\$ (6,218)
Other	1,092	4,805
	\$ (5,185)	\$ (1,413)

Investments in joint ventures are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the investment might not be recoverable. No impairment was recognized for the years ended December 31, 2023 or 2022.

Goodwill and Indefinite-Lived Intangible Assets

The Corporation has goodwill and indefinite-lived intangible assets recorded related to several hospitals, physician practices, a pathology laboratory, diagnostic centers, and an ambulatory surgical center license totaling \$24.1 million and \$21.4 million at December 31, 2023 and 2022, respectively.

The Corporation follows the provisions of ASC 958, *Not-for-Profit Entities* (ASC 958), which provides guidance for a not-for-profit entity with respect to goodwill and other indefinite-lived intangible assets subsequent to an acquisition. In accordance with ASC 958, the Corporation tests goodwill and indefinite-lived intangible assets for impairment on an annual basis (October 1), and between annual tests if impairment indicators exist, utilizing qualitative and quantitative factors.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Goodwill impairment testing is done at the reporting unit level (which is defined as the Corporation) by comparing the fair value of the reporting unit's net assets against the carrying value of the reporting unit's net assets, including goodwill. If a quantitative analysis is performed, the fair value of net assets is generally estimated based on an analysis of discounted cash flows (Level 3 measurement).

The annual impairment test performed in 2023 and 2022 resulted in no adjustments to recorded goodwill and indefinite-lived intangible assets.

Medical Malpractice and General Liability Self-Insurance

The Corporation is self-insured for medical malpractice and general liability claims. The provision for estimated self-insured medical malpractice and general liability claims includes estimates of the ultimate costs of settlement for both reported claims and claims incurred but not reported. The Corporation recorded total medical malpractice and general liability self-insurance liabilities of \$122.2 million and \$121.5 million as of December 31, 2023 and 2022, respectively. Medical malpractice and general liability self-insurance liabilities of \$31.4 million and \$29.6 million are included in accrued expenses and other current liabilities at December 31, 2023 and 2022, respectively, based on the expectation of the payout of claims in the subsequent year. The long-term portion of these liabilities are held in other non-current liabilities on the combined balance sheets. Additionally, the Corporation has recorded total receivables of \$10.5 million and \$9.9 million as of December 31, 2023 and 2022, respectively, for anticipated reinsurance recoveries. Of total anticipated reinsurance recoveries, \$3.0 million and \$2.7 million are classified as current at December 31, 2023 and 2022, respectively, and are recorded in miscellaneous receivables on the combined balance sheets. The non-current portion of anticipated reinsurance recoveries of \$7.5 million and \$7.2 million at December 31, 2023 and 2022, respectively, are recorded in other assets on the combined balance sheets. The Corporation recorded an increase in medical malpractice and general liability self-insurance expense of \$2.6 million in 2023 and decrease of \$4.8 million in 2022 related to changes in actuarial estimates reflecting claim activity, closed claims, claim resolution history, and other environmental factors. The Corporation has engaged independent actuaries to estimate the ultimate costs of the settlement of such claims. Recorded self-insured medical malpractice and general liabilities, discounted at 4.50% and 3.75% at December 31, 2023 and 2022, respectively, represent management's best estimate of ultimate costs at those dates.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

The Corporation has excess loss insurance coverage for claims over the self-insured limits on a claims-made basis. Through the excess loss commercial policies, the Corporation is insured for losses up to established individual and aggregate claim limits.

The Corporation's management is of the opinion that the combined financial statements will not be materially affected by the ultimate cost related to asserted and unasserted claims, if any, at the combined balance sheet date.

Under the terms of the self-insurance trust agreements for the self-insurance funds, the Corporation makes annual deposits with its trustee based upon actuarial funding recommendations. Amounts deposited and interest thereon can only be used to pay self-insured losses and related expenses. Such trust fund assets are reported as assets limited as to use. Investment returns from trustee assets are recorded as investment gain and change in net unrealized gains (losses) on investments, as applicable.

Commercial Paper

On May 1, 2022, the Corporation entered into a dealer agreement with J.P. Morgan Securities, LLC, which allows the Corporation to issue taxable commercial paper notes (commercial paper) with an agreement that the principal amount not exceed \$200.0 million. The commercial paper will bear an interest rate as determined by J.P. Morgan Securities, LLC at the time of sale and will have maturities not exceeding 270 days from the date of issue. During each of the years ended December 31, 2023 and 2022, the Corporation issued commercial paper in \$25.0 million offerings, with no more than \$50.0 million outstanding at any one time. The Corporation had no commercial paper outstanding at December 31, 2023, and \$25.0 million outstanding at December 31, 2022. Any commercial paper outstanding is a general obligation of the Corporation, secured on parity with outstanding bonds.

Net Assets with Donor Restrictions

Net assets with donor restrictions are those whose use by the Corporation has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by the Corporation in perpetuity. Net assets with donor restrictions are primarily restricted for strategic capital projects or in support of the Corporation's mission.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Net Patient Service Revenue and Patient Accounts Receivable

Net patient service revenue is reported at the amount that reflects the consideration to which the Corporation expects to be entitled for providing patient care. These amounts are due from patients, third-party payors, and others and include variable consideration for retroactive revenue adjustments due to settlements of reviews and audits.

Net patient service revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Corporation. Net patient service revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Corporation believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. The Corporation measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. These services are considered to be a single performance obligation.

Outpatient services are performance obligations satisfied at a point in time, and net patient service revenue is recognized when goods or services are provided and the Corporation does not believe it is required to provide additional goods or services.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption provided in ASC 606, *Revenue from Contracts with Customers* (ASC 606) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the combined balance sheet date. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the combined balance sheet date. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the combined balance sheet date.

The Corporation has elected to use the portfolio approach practical expedient in ASC 606 for contracts related to net patient service revenue. The Corporation accounts for the contracts within each portfolio as a collective group, rather than recognizing net patient service revenue on an individual contract basis, based on the payment pattern expected in each portfolio category and the

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

similar nature and characteristics of the patients within each portfolio. The portfolios consist of major payor classes for inpatient net patient service revenue and outpatient net patient service revenue. Based on the historical collection trends and other analysis, the Corporation believes that net patient service revenue recognized by utilizing the portfolio approach approximates the net patient service revenue that would have been recognized if an individual contract approach were used.

The Corporation has agreements with third-party payors that provide for payment to the Corporation at amounts different than the Corporation's established charges. For uninsured patients who do not qualify for charity care, the Corporation recognizes net patient service revenue based on established charges, subject to certain discounts and implicit price concessions determined by the Corporation. The Corporation determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third-party payors, discounts provided to uninsured and underinsured patients in accordance with the Corporation's policy, and/or implicit price concessions provided to uninsured patients. Explicit price concessions are based on contractual agreements, discount policies, and historical experience. Implicit price concessions represent differences between amounts billed and the estimated consideration the Corporation expects to receive from patients, which are determined based on historical collection experience, current and future market conditions, and other factors.

Generally, patients who are covered by third-party payors are responsible for patient responsibility balances, including deductibles and coinsurance, which vary in amount. The Corporation estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any explicit price concessions, discounts, and/or implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenue in the period of change. Adjustments arising from a change in the transaction price, which resulted in an increase to net patient service revenue, were \$12.4 million and \$39.4 million for the years ended December 31, 2023 and 2022, respectively, and were not material to net patient service revenue for either period and, therefore, did not result in a change in the Corporation's revenue recognition policy.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

In rare instances, the Corporation receives payment in advance of the services provided and considers these amounts to represent contract liabilities. Contract liabilities at December 31, 2023 and 2022 include balances of \$0 and \$32.5 million, respectively, which is included in accrued expenses and other on the combined balance sheet, for amounts received from the Centers for Medicare and Medicaid Services (CMS) as part of the Medicare Accelerated and Advanced Payment Program implemented as a COVID-19 pandemic relief measure.

The Corporation has elected the practical expedient allowed under ASC 606 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a patient and the time that the patient or third-party payor pays for that service will be one year or less. However, the Corporation does, in certain circumstances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

The Corporation is paid prospectively determined rates for the majority of inpatient acute care, outpatient, and ambulatory care services provided (principally Medicare, Medicaid, and certain commercial payors). This net patient service revenue is subject to retroactive adjustments due to audits, reviews, change in program administration and rules, and outcome of litigation. These settlements are estimated based on the agreement with the payor and correspondence, which includes an assessment to ensure it is probable that a significant reversal in the amount of cumulative net patient service revenue recognized will not occur when the uncertainty associated with the retroactive adjustments is subsequently resolved.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Corporation believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. The Corporation has established a corporate compliance program to assist in maintaining compliance with such laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines and penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that current recorded estimates will change by material amounts in the near term.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Reported costs and/or services provided under certain arrangements are subject to retroactive adjustments due to reviews and audits. These adjustments are considered variable compensation and are included in the determination of the estimated transaction price for providing patient care in the period the related services are provided. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Corporation's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of net patient service revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known or as years are settled or are no longer subject to reviews or audits. The Corporation recorded an increase in net patient service revenue of \$83.1 million and \$11.8 million in 2023 and 2022, respectively, as a result of changes in estimated settlements with Medicare, Medicaid, and other commercial payors. The 2023 increase includes a \$60.0 million settlement from CMS pertaining to underpayment of 340(b) claims in prior years. The related receivable is included in the due from third-party payors, net in the combined balance sheet at December 31, 2023.

Charity Care

As a part of its not-for-profit mission, the Corporation provides care to patients who may be unable to pay. For those patients meeting certain criteria, the Corporation does not pursue collection of amounts determined to qualify as charity care. The Corporation follows Accounting Standards Update (ASU) 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* (ASU 2010-23). ASU 2010-23 requires that cost be used as the measurement for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing charity care. ASU 2010-23 also requires entities to disclose any reimbursement received to offset the cost of providing charity care. The Corporation estimates charity care cost by calculating a ratio of cost to gross charges, and then multiplying the ratio by the gross charges attributable to patients that qualify for charity care, based on the Corporation's policy. The cost associated with charity care provided was \$21.0 million and \$15.7 million for the years ended December 31, 2023 and 2022, respectively.

Other Revenue

Other revenue is recognized at an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing goods and services. The amounts recognized reflect consideration due from customers, third-party payors, and others in accordance with

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

ASC 606. Primary categories include milestone-based provider revenue, other payor payments, revenue from other miscellaneous sources, a tax distribution from a former joint venture, technical service fee revenue, parking revenue, and rental income.

Excess of Revenue Over Expenses (Expenses Over Revenue)

The combined statements of operations and changes in net assets include subtotals for earnings before fixed expenses and other gains, patient service margin, operating gain, and excess of revenue over expenses (expenses over revenue). Excess of revenue over expenses (expenses over revenue) represents the operating (performance) indicator for the Corporation as defined under U.S. GAAP. Changes in net assets without donor restrictions, which are excluded from excess of revenue over expenses (expenses over revenue), consistent with industry practice, include or may include contributions of long-lived assets, net assets released from restriction for equipment, investment returns on assets with donor restrictions, and changes in pension plan assets and obligation.

Gifts with Donor Restrictions

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the condition is met. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the combined statements of operations and changes in net assets as donations and contributions if the purpose relates to operations, or as a change in net assets without donor restrictions if the purpose relates to purchase of property and equipment.

Beneficial Interest in Trusts Held by Others

The Corporation is an income beneficiary of irrevocable trust funds held by others. The Corporation has recorded the fair value of the ownership interest of the irrevocable trust funds in its combined balance sheets and the changes in the fair values of the ownership interests of the irrevocable trust funds as net assets with donor restrictions.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Contributions Received and Pledges Receivable

Contributions without donor restriction are recorded as donations and contributions within the combined statements of operations and changes in net assets when received. Pledges are recorded as contributions, fees, grants, bequests, net as net assets with donor restrictions in the year pledged. Unconditional donor pledges to give cash, marketable securities, and other assets are reported at present value, through a discounted cash flow approach (representing fair value), at the date the pledge is made. Pledges receivable are discounted based on the nature of the individual pledge consistent with the Corporation's policy. Discount rates ranged from 0.03% to 2.22% during the year ended December 31, 2023 (0.03% to 2.02% for year ended December 31, 2022). Discount rates reflect the economic conditions of the year in which the pledge was made.

Conditional donor promises to give and indications of intentions to give are not recognized until the condition is satisfied. Pledges received with donor restrictions on the use of the donated assets are reported as net assets with donor restrictions until the donor restriction expires. An allowance for uncollectible pledges is recorded for amounts the Corporation has deemed uncollectible.

Outstanding pledges receivable from various corporations, foundations, and individuals are as follows:

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Gross pledges due:		
In less than one year	\$ 3,700	\$ 11,407
In one to five years	3,900	8,174
In more than five years	33,755	35,175
	<u>41,355</u>	<u>54,756</u>
Allowance for uncollectible pledges	(350)	(233)
Discounting	<u>(12,520)</u>	<u>(12,667)</u>
Net pledges receivable	28,485	41,856
Less current portion	<u>(3,350)</u>	<u>(11,173)</u>
Net long-term pledges receivable	<u>\$ 25,135</u>	<u>\$ 30,683</u>

The current portion of pledges receivable is included in miscellaneous receivables on the combined balance sheets.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

Most of the income generated by the Corporation is exempt from taxation under Section 501(a) of the Internal Revenue Code. Certain of the Corporation's affiliates are taxable entities and some of the income generated by otherwise exempt entities is subject to taxation as unrelated business income. The Corporation files federal, Kentucky, and Indiana state income tax returns. The statute of limitations for tax years 2020 through 2022 remain open in the taxing jurisdictions in which the Corporation is subject to taxation, and the 2023 tax year's statute of limitations will begin once returns for that year are filed. In addition, for all tax years prior to 2025 generating or utilizing a net operating loss (NOL), tax authorities can adjust the amount of NOL carryforward to subsequent years.

As of December 31, 2023, the Corporation has NOL carryforwards of \$34.4 million (\$27.7 million at December 31, 2022). These NOL carryforwards expire in years 2025 to 2043. As a result of the NOL carryforwards, the Corporation recorded a deferred tax asset of \$8.8 million and \$7.1 million at December 31, 2023 and 2022, respectively. The Corporation evaluates the realizability of the deferred tax assets annually. Based on the cumulative losses incurred by Norton Enterprises, Inc. over the previous three-year period and future projections, the Corporation determined it is not probable that future taxable income will be available to apply against the deferred tax assets. As a result, the Corporation recorded a full valuation allowance of \$8.8 million and \$7.1 million at December 31, 2023 and 2022, respectively.

2. Community Service (Unaudited)

The Corporation continues to build on a tradition of community service established over 100 years ago by its predecessor organizations, with a mission to provide quality health care to all those served. Through Norton Children's Hospital and Norton Children's Medical Center, tertiary, acute-level inpatient services, and emergency and outpatient specialty care are provided to children who live throughout Kentucky and southern Indiana, regardless of ability to pay. In addition, many patients treated at Norton Hospital, Norton Audubon Hospital, Norton Women's and Children's Hospital, Norton Brownsboro Hospital, and Norton Kings Daughter's Hospital receive free or discounted care. The Corporation is a major participant in the residency and medical education programs of the University of Louisville School of Medicine.

The Corporation uses the 2022 edition of the Catholic Health Association's *Guide for Planning and Reporting Community Benefit* (CHA guidelines) to report the community benefit amounts.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Community Service (Unaudited) (continued)

In 1987, the Corporation established a fund designated for providing indigent care, education, research, and community health initiatives, now known as the James R. Petersdorf Fund (Petersdorf Fund). In 2020, the Corporation established the Rev. and Mrs. John Norton Fund (John Norton Fund) to support non-profit initiatives designed for the betterment of overall health, wellness and well-being, particularly in areas of greatest need. See Note 4 for additional information on these funds.

The costs associated with providing community service through the Corporation’s community-based funds and programs are as follows (*unaudited*):

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Charity care ^(A)	\$ 21,014	\$ 15,703
Educational support	76,758	76,095
Sponsorships	2,183	2,170
Community cancer initiatives	6,571	5,897
Community service activities	1,537	1,698
Other community benefits	20,776	24,397
	<u>\$ 128,839</u>	<u>\$ 125,960</u>

^(A) Consistent with Internal Revenue Service (IRS) Form 990 requirements and CHA guidelines, this amount is to be reported net of state means programs and amounts received specifically to provide financial assistance. The Corporation received other financial assistance related receipts of \$0.5 million in 2023, and \$0.3 million in 2022.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

3. Property and Equipment

Property and equipment consists of:

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Land and land improvements	\$ 83,222	\$ 75,873
Buildings	1,635,218	1,545,249
Equipment	1,456,907	1,337,530
	<u>3,175,347</u>	<u>2,958,652</u>
Accumulated depreciation and amortization	<u>(1,847,908)</u>	<u>(1,693,305)</u>
	1,327,439	1,265,347
Construction-in-process	162,501	125,129
	<u>\$ 1,489,940</u>	<u>\$ 1,390,476</u>

Depreciation expense was \$145.2 million for both the years ended December 31, 2023 and 2022. Equipment includes computer software costs of \$131.8 million and \$111.8 million at December 31, 2023 and 2022, respectively, which are primarily related to the Corporation's enterprise, clinical, and revenue cycle information systems. The accumulated depreciation related to computer software recorded in accumulated depreciation and amortization is \$92.2 million and \$88.2 million at December 31, 2023 and 2022, respectively. The expense related to computer software recorded in depreciation and amortization expense on the combined statements of operations and changes in net assets was \$3.7 million and \$6.0 million for the years ended December 31, 2023 and 2022, respectively.

4. Assets Limited as to Use and Investment Return

Asset Limited as to Use

The composition of assets limited as to use is set forth in the following table by type of Board designation or restriction. Assets limited as to use are carried at fair value, except for alternative investments (consisting of hedge funds, real estate funds, and private equity funds), which are accounted for under the equity method of accounting.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

4. Assets Limited as to Use and Investment Return (continued)

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
By Board of Trustees for indigent care, education, research, and community health initiatives (Petersdorf Fund)	\$ 169,787	\$ 155,674
By Board of Trustees for support of non-profit initiatives designed for the betterment of overall health, wellness and well-being, particularly in areas of greatest need (John Norton Fund)	11,886	10,797
By Board of Trustees	1,649,354	1,776,981
	1,831,027	1,943,452
By self-insurance trust agreements	124,689	108,708
Less current portion	(28,376)	(26,681)
By self-insurance trust agreements, net	96,313	82,027
By bond indenture trust agreements	51,306	21,610
Less current portion	(11)	–
By bond indenture trust agreements, net	51,295	21,610
By contractual agreement	9,030	8,975
Less current portion	(831)	(600)
By contractual agreement	8,199	8,375
By donors for time or use	87,821	69,609
	\$ 2,074,655	\$ 2,125,073

The Corporation's investment portfolio is structured in a manner that matches investment risk and return. Short-term volatility and uncertainty of investment results are recognized as real risks that are managed through specific asset allocation strategies and diversification. The assets limited as to use by the Board of Trustees are excluded from current assets as they are not intended to be used within one year. The Board of Trustees meets routinely throughout the year and, should an unforeseen need arise, could choose to designate those funds for current use within the assets limited as to use by the Board of Trustees.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

4. Assets Limited as to Use and Investment Return (continued)

Committed capital to private equity funds that may be called over the next 1 to 3 years approximates \$170.6 million and \$88.0 million at December 31, 2023 and 2022, respectively.

Investment Return

Investment return is shown under net assets without donor restrictions and net assets with donor restrictions as investment gain (included in operating gain for the net assets without donor restrictions) and change in net unrealized gains (losses) on investments (included in non-operating (losses) gains for net assets without donor restrictions).

The following is a summary of the key components of investment gain:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Investment gain by net asset class:		
Without donor restrictions	\$ 49,345	\$ 57,995
With donor restrictions	3,246	2,629
Total investment gain	<u>\$ 52,591</u>	<u>\$ 60,624</u>
Components of investment gain:		
Interest and dividends	\$ 40,346	\$ 37,311
Income distributions from trusts	1,396	1,275
Investment fees	(2,587)	(4,464)
Net realized gains on investments	24,445	39,213
Change in net unrealized losses on investments recorded at other than fair value	<u>(11,009)</u>	<u>(12,711)</u>
Total investment gain	<u>\$ 52,591</u>	<u>\$ 60,624</u>

The total change in net unrealized gains (losses) on investments with and without donor restrictions were \$150.4 million and (\$315.4) million for the years ended December 31, 2023 and 2022, respectively, and are solely composed of the change in net unrealized gains (losses) on investments recorded at fair value.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements

The following table summarizes the recorded amount of assets and liabilities by class of asset or liability recorded at fair value on a recurring basis. Certain assets are marked as not applicable (N/A) as they are not recorded at fair value or elected to be recorded at fair value on a recurring basis. The valuation level of the asset or liability as defined by ASC 820 is included for assets and liabilities carried at fair value.

The following tables present the financial instruments carried at fair value using the valuation hierarchy defined above at:

	December 31		Level
	2023	2022	
	<i>(In Thousands)</i>		
Marketable securities and other investments, at fair value			
Money market funds	\$ 4	\$ 24	1
Marketable debt securities:			
Corporate debt	29,097	9,864	2
Mortgage-backed	9,168	–	2
U.S. government agencies	12,989	9,790	2
Asset-backed	12,527	21,929	2
Mutual funds	9,198	29,000	1
Total marketable securities and other investments, at fair value	72,983	70,607	
Assets limited as to use, at fair value			
By Board of Trustees and donors:			
Money market fund	28,160	65,366	1
Mutual funds	749,609	830,073	1
Common and collective trust funds	136,880	152,232	NAV
Marketable debt securities:			
Corporate debt	17,151	24,719	2
Municipal bonds	2,576	3,433	2
U.S. government and agencies	12,878	15,292	2
Mortgage-backed	21,014	32,429	2
Asset-backed	4,917	10,495	2

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

	December 31		
	2023	2022	Level
	<i>(In Thousands)</i>		
Marketable equity securities:			
Domestic	\$ 196,530	\$ 187,800	1
Total assets limited as to use by Board of Trustees and donors, at fair value	1,169,715	1,321,839	
By contractual agreements:			
Money market fund	9,030	8,975	1
Total assets limited as to use by contractual agreements, at fair value	9,030	8,975	
By self-insurance trust agreements:			
Money market fund	7,614	5,295	1
Marketable debt securities:			
Corporate debt	44,069	42,601	2
Mortgage-backed	8,366	8,588	2
Asset-backed	15,841	12,287	2
Municipal bonds	3,957	1,456	2
U.S. government and agencies	6,192	3,007	2
Marketable equity securities:			
Domestic	38,650	35,474	1
Total assets limited as to use by self-insurance trust agreements, at fair value	124,689	108,708	
By bond indenture trust agreements:			
Marketable debt securities:			
Guaranteed investment certificate	28,823	–	2
U.S. government and agencies	22,483	21,610	2
Total assets limited as to use by bond indenture, at fair value	51,306	21,610	
Total assets limited as to use, at fair value	1,354,740	1,461,132	

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

	December 31		Level
	2023	2022	
	<i>(In Thousands)</i>		
Assets limited as to use at other than fair value:			
Hedge funds	\$ 460,124	\$ 398,751	N/A
Real estate funds	143,610	165,062	N/A
Private equity funds	145,399	127,409	N/A
Total assets limited as to use, at other than fair value	749,133	691,222	
Less current portion of self-insurance trust and bond indenture trust and assets limited as to use by contractual agreement	(29,218)	(27,281)	
Total assets limited as to use	<u>\$ 2,074,655</u>	<u>\$ 2,125,073</u>	
Other assets at fair value:			
Beneficial interest in outside trusts	\$ 25,317	\$ 23,492	2
Interest rate swaps <i>(Note 7)</i>	29,905	11,670	2

Valuation

Marketable Debt Securities, Other Investments, and Assets Limited as to Use

Level 1 securities are stated at quoted market prices. The Corporation's various investment portfolios are held by a variety of managers and these managers use external pricing services in providing the valuation for all levels of securities. The Corporation does not adjust the quoted market prices for such financial instruments.

Level 2 securities include valuations based upon direct and indirect observable market inputs that may utilize the market, income, or cost approaches in determination of their fair value. The pricing services use a variety of pricing models and inputs based upon the type of security being valued. These inputs may include, but are not limited to the following: reported trades; similar security trade data; bid/ask spreads; institutional bids; benchmark yields; broker/dealer quotes; issuer spreads; yield to maturity; and corporate, industry, and economic events.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

As nearly all of the Corporation's marketable debt securities are actively traded, the recorded fair value reflects current market conditions. However, due to the inherent volatility in the investment market, there is at least a possibility that recorded investment values may change by a material amount in the near term.

The common and collective trust funds are valued at NAV, as a practical expedient, provided by the respective fund administrators. Management has determined that the NAV is an appropriate estimate of the fair value of the common and collective trust funds at December 31, 2023 and 2022, based on the fact that the common and collective trust funds are audited and accounted for at fair value by the administrators of the respective common and collective trust funds. There are no restrictions on the ability of the Corporation to redeem any of the common and collective trust funds at December 31, 2023 or 2022.

Beneficial Interests in Trusts Held by Others

The Corporation is an income beneficiary of irrevocable trust funds held by others. The Corporation has recorded the fair value of the ownership interest of the irrevocable trust funds based on its pro rata share of the underlying assets or income. Based on the observable inputs, typically marketable debt or equity securities held in the irrevocable trust funds, the Corporation has determined its beneficial interests in outside trust funds held by others fall in Level 2 of the fair value hierarchy. This technique is consistent with the market approach.

Interest Rate Swaps

The fair value is calculated based on a discounted cash flow model, taking into consideration the terms of each interest rate swap and the credit rating of the Corporation or counterparty, as applicable. Based on the observable inputs, typically published interest rates and credit spreads, the Corporation has determined its interest rate swaps fall in Level 2 of the fair value hierarchy. The specific Corporation inputs are disclosed in Note 7. This technique is consistent with the income or discounted cash flow approach.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

Other Fair Value Measurements

The Corporation's pledges receivable are recorded at fair value on the original pledge date, based on discounted cash flow analysis and adjusted for consideration of donor's credit, and the resulting carrying value is \$28.5 million and \$41.9 million at December 31, 2023 and 2022, respectively. These fair values are determined using a Level 2 methodology in the fair value hierarchy based on observable inputs through formal pledge agreements and other similar documents, as well as market interest rates as disclosed in Note 1.

6. Net Patient Service Revenue

Net patient service revenue by major payor source is as follows:

	Year Ended December 31			
	2023		2022	
	<i>(Dollars in Thousands)</i>			
Commercial	\$ 1,560,381	39%	\$ 1,532,105	44%
Medicare	1,273,834	32	1,054,948	31
Medicaid	1,061,873	27	837,077	24
Self-pay and other	59,464	2	47,842	1
	\$ 3,955,552	100%	\$ 3,471,972	100%

The Corporation classifies its patient service revenue based on the primary payor at the time a patient presents for services. As a result, commercial patient service revenue includes certain amounts that were ultimately directly billed to the patient after the primary insurance payment (self-pay after insurance).

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt

Long-term debt consists of the following at:

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2023, dated August 3, 2023 (2023 Bonds)	\$ 430,400	\$ —
Indiana Finance Authority Health Facilities Revenue Bonds (Norton Healthcare, Inc.), Series 2022, Dated March 3, 2022 (2022 Bonds)	73,095	78,375
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2020, dated March 10, 2020 (2020 Bonds)	275,000	400,000
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2016, dated August 11, 2016 (2016 Bonds)	481,685	499,765
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2013, dated September 26, 2013 (2013 Bonds)	50,000	204,580
Louisville/Jefferson County Metro Government Health System Variable Rate Revenue Bonds, dated August 10, 2011 (2011 Bonds)	64,530	69,695
Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Series 2000, dated October 1, 2000 (2000 Bonds)	125,060	139,480
	1,499,770	1,391,895
Unamortized premiums	94,170	77,273
Less unamortized deferred financing costs	(9,070)	(7,841)
	1,584,870	1,461,327
Finance leases	75,655	79,172
Total long-term debt	1,660,525	1,540,499
Less amounts due within one year	(51,198)	(174,709)
Total long-term debt, net of current portion	\$ 1,609,327	\$ 1,365,790

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The 2000 Bonds are secured by a mortgage lien on the principal hospital facilities and parking garages of Norton Hospitals, Inc. built before 2006. The net book value of these properties is \$65.2 million and \$71.5 million at December 31, 2023 and 2022, respectively.

At December 31, 2023 and 2022, all bonds outstanding are tax-exempt bond issues. All bonds are secured by a security interest in certain pledged collateral, including the operating revenue of the Obligated Group (defined as Norton Healthcare, Inc., Norton Hospitals, Inc. and Norton Healthcare – Indiana, Inc.). Principal and interest related to the bonds are payable solely by the Obligated Group.

Deferred financing costs are being amortized over the life of the respective bond issues using the effective interest method for fixed-rate bonds and the bonds outstanding method for variable-rate bonds.

The Corporation has agreed to certain covenants, which, among other things, limit additional indebtedness and guarantees and require the Corporation to maintain specific financial ratios. The Corporation is in compliance with these covenants at December 31, 2023 and 2022.

2023 Bonds

In 2023, the Corporation entered into loan agreements with the Louisville/Jefferson County Metro Government to issue \$146.4 million of Series A uninsured fixed-rate revenue bonds (2023A Bonds), \$117.9 million of Series B uninsured fixed-rate revenue bonds (2023B Bonds), \$83.1 million of Series C uninsured variable-rate revenue bonds (2023C Bonds), and \$83.1 million of Series D uninsured variable-rate revenue bonds (2023D Bonds). Proceeds from the 2023A Bonds, including a premium of \$11.9 million were used to refund all of the remaining 2013A Bonds. Proceeds from the 2023B Bonds, including a premium of \$9.7 million, were used to refund all of the remaining 2020B Bonds. The proceeds of the 2023C and 2023D Bonds are to be used to pay or reimburse the Corporation for the cost of constructing, planning, renovating, expanding, equipping and acquiring patient care related projects and/or equipment and to pay certain expenses in connection with the issuance of the 2023 Bonds.

At December 31, 2023, the 2023A Bonds consist of serial bonds maturing 2024 through 2042, with an interest rate of 5.0%. Interest is payable semiannually on April 1 and October 1. Beginning October 1, 2033, the 2023A Bonds maturing on or after October 1, 2034, are subject to optional redemption by the Corporation prior to maturity for 100% of par.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The 2023B Bonds, mature in 2047 with annual sinking fund deposits in 2043 through 2047 with interest of 5.0% payable semiannually on April 1 and October 1. The 2023B Bonds are subject to mandatory purchase provisions, in which the Corporation will be required to purchase the 2023 Bonds at 100% of par on October 1, 2029. The Corporation may fund the repurchase by remarketing the 2023 Bonds. The 2023B Bonds are subject to optional redemption by the Corporation prior to maturity at various redemption prices plus accrued interest beginning April 1, 2029.

The 2023C and 2023D Bonds are secured by irrevocable direct-pay letters of credit issued by Truist Bank that have a stated maturity of August 1, 2028. While bearing interest at a daily interest rate, the 2023C and 2023D Bonds are subject to optional redemption prior to maturity at the direction of the Corporation at a redemption price of 100% of the principal amount, plus accrued interest. The 2023C and 2023D Bonds mature in 2053 with annual sinking fund deposits in 2048 through 2053. At December 31, 2023, the applicable cost of the debt for the 2023C and 2023D Bonds was 4.0%.

2022 Bonds

In 2022, the Corporation entered into loan agreements with the Indiana Finance Authority (IFA) to issue \$82.8 million of uninsured fixed-rate revenue bonds (2022 Bonds). Proceeds from the 2022 Bonds were used to refund \$89.2 million of King's Daughters' Health, Inc. Series 2010 IFA bonds, which were assumed as a part of the King's Daughter's Health, Inc. business combination in January 2022. As a result of the refunding, the Corporation reported a loss on extinguishment of debt of \$1.5 million recorded in other non-operating gains (losses) in the combined statement of operations and changes in net assets during the year ended December 31, 2022. The 2022 Bonds are a direct placement issue with a final maturity occurring in 2035. The 2022 Bonds are subject to optional redemption by the Corporation at any time prior to maturity subject to "make whole" provisions. The cost of debt was 2.1% at both December 31, 2023 and 2022.

2020 Bonds

In March 2020, the Corporation entered into loan agreements with Louisville/Jefferson County Metro Government to issue \$150.0 million of Series A uninsured fixed-rate revenue bonds (2020A Bonds), \$125.0 million of Series B uninsured fixed-rate revenue bonds (2020B Bonds), \$75.0 million of Series C uninsured fixed-rate revenue bonds (2020C Bonds), and \$50.0 million

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

of Series D uninsured fixed-rate revenue bonds (2020D Bonds). The proceeds of the 2020 Bonds, including the premium of \$79.0 million, were used to pay or reimburse the Corporation for the cost of constructing, planning, renovating, expanding, equipping and acquiring patient care related projects and/or equipment.

At December 31, 2023, the 2020A Bonds consist of serial bonds maturing 2037 through 2040 and term bonds with annual sinking fund deposits in 2041 through 2043. Interest rates vary from 3.0% to 5.0%. Interest is payable semiannually on April 1 and October 1. Beginning October 1, 2029, the 2020A Bonds maturing on or after October 1, 2029, are subject to optional redemption by the Corporation prior to maturity for 100% of par.

The 2020B Bonds were fully refunded as of December 31, 2023. As a result of the refunding, the Corporation reported a gain on extinguishment of debt of \$0.9 million recorded in other non-operating gains (losses) in the combined statement of operations and changes in net assets during the year ended December 31, 2023. Prior to refunding, they were subject to mandatory purchase provisions, in which the Corporation was required to purchase the bonds at 100% of par on October 1, 2023. This mandatory purchase date was within one year of December 31, 2022, and as a result the full \$125.0 million of related principal was classified as current portion of long-term debt at December 31, 2022.

The 2020C Bonds and 2020D Bonds mature in 2047 with annual sinking fund deposits 2043 through 2047 with interest of 5.0% payable semiannually on April 1 and October 1. The 2020C Bonds and 2020D Bonds are subject to mandatory purchase provisions, in which the Corporation will be required to purchase the bonds at 100% of par on October 1, 2026 and October 1, 2029, respectively.

The Corporation may fund these repurchases by remarketing the 2020C Bonds and 2020D Bonds. The 2020C Bonds and 2020D Bonds are subject to optional redemption by the Corporation prior to maturity at various redemption prices plus accrued interest beginning July 1, 2026 through September 30, 2026 and July 1, 2029 through September 28, 2029, respectively.

2016 Bonds

In 2016, the Corporation entered into loan agreements with the Louisville/Jefferson County Metro Government to issue \$521.1 million of Series A uninsured fixed-rate revenue bonds (2016A Bonds), \$31.3 million of Series B uninsured variable-rate bonds (2016B Bonds), and \$68.7 million

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

of Series C uninsured variable-rate revenue bonds (2016C Bonds). Proceeds from the 2016A Bonds were used to refund all of the remaining 2006 Bonds outstanding at the time and to pay or reimburse the Corporation for the cost of acquiring, constructing, renovating, and equipping areas related to patient care and to pay certain expenses in connection with the issuance of the 2016 Bonds. Proceeds from the 2016B Bonds and 2016C Bonds were used to refund all remaining 2013B Bonds and Series 2011D Bonds outstanding at the time.

At December 31, 2023 and 2022, the 2016A Bonds consist of term bonds with interest rates ranging from 3.0% to 5.5% maturing through October 1, 2037. Interest is payable semiannually on April 1 and October 1. Beginning October 1, 2026, the 2016A Bonds maturing on or after October 1, 2026, are subject to optional redemption by the Corporation prior to maturity for 100% of par.

The 2016B Bonds and 2016C Bonds are direct placement issues and held entirely by Truist Bank. Final maturity and payment for the 2016B Bonds occurred during 2021, and final maturity for the 2016C Bonds occurred during 2023. At December 31, 2022, the applicable cost of debt for the 2016C Bonds was 4.1%. Until time of payment in 2023, the applicable cost of debt for the 2016C Bonds was 4.4%.

2013 Bonds

In 2013, the Corporation entered into loan agreements with the Louisville/Jefferson County Metro Government to issue \$154.6 million of Series A uninsured fixed-rate revenue bonds (2013A Bonds), \$75.0 million of Series B uninsured taxable variable-rate bonds (2013B Bonds), and \$50.0 million of Series C uninsured variable-rate revenue bonds (2013C Bonds). Proceeds from the 2013A Bonds and 2013C Bonds were used to pay or reimburse the Corporation for the cost of acquiring, constructing, renovating, and equipping areas related to patient care and to pay certain expense in connection with the issuance of the 2013 Bonds. Proceeds from the 2013B Bonds were used to refund all remaining Series 2000C Bonds outstanding at the time.

At December 31, 2023, the 2013A Bonds were fully refunded. As a result of the refunding, the Corporation reported a loss on extinguishment of debt of \$5.2 million recorded in other non-operating gains (losses) in the combined statement of operations and changes in net assets during the year ended December 31, 2023. At December 31, 2022, the 2013A Bonds consisted of fixed-rate term bonds with interest rates ranging from 4.50% to 5.75% scheduled to mature through October 1, 2042.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The 2013C Bonds are secured by an irrevocable direct-pay letter of credit issued by PNC Bank that has a stated maturity of July 26, 2025. While bearing interest at a weekly interest rate, the 2013C Bonds are subject to optional redemption prior to maturity at the direction of the Corporation at a redemption price of 100% of the principal amount, plus accrued interest. The 2013C Bonds have one annual sinking fund deposit of \$17.6 million due on October 1, 2042, with final maturity in 2043. At both December 31, 2023 and 2022, the applicable cost of the debt for the 2013C Bonds was approximately 4.1%.

2011 Bonds

In 2011, the Corporation entered into loan agreements with the Louisville/Jefferson County Metro Government to issue \$35.0 million of Series A uninsured variable-rate revenue bonds (2011A Bonds), \$40.0 million of Series B uninsured variable-rate revenue bonds (2011B Bonds), \$23.8 million of Series C uninsured variable-rate bonds (2011C Bonds), and \$53.7 million of Series D uninsured taxable variable-rate bonds (2011D Bonds). Proceeds from the 2011A Bonds and 2011B Bonds were used to pay or reimburse the Corporation for the cost of acquiring, constructing, renovating, and equipping areas related to patient care and to pay certain expenses in connection with the issuance of the 2011 Bonds. Proceeds from the 2011C Bonds were used to refund a portion of the 1997 Bonds, and proceeds from the 2011D Bonds were used to refund all of the 2000A Bonds.

The 2011A and 2011B Bonds are secured by irrevocable direct-pay letters of credit issued by PNC Bank that expire on July 26, 2025. The final maturities for the 2011A and 2011B Bonds occur in 2039. While bearing interest at weekly or daily interest rates, the 2011A and 2011B Bonds are subject to optional redemption prior to maturity at the direction of the Corporation at a redemption price of 100% of the principal amount, plus accrued interest. The 2011A and 2011B Bonds have annual sinking fund deposits of various amounts annually, beginning October 1, 2022, through their maturity.

At both December 31, 2023 and 2022, the applicable cost of the debt for the 2011A Bonds was approximately 4.1%. At both December 31, 2023 and 2022, the applicable cost of the debt for the 2011B Bonds was 4.2%.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

2000 Bonds

In 2000, the Corporation entered into loan agreements with the Kentucky Economic Development Finance Authority to issue \$148.3 million of Series A uninsured fixed-rate revenue bonds (2000A Bonds), \$119.2 million of Series B insured variable-rate revenue bonds (2000B Bonds), and \$180.5 million of Series C insured variable-rate revenue bonds (2000C Bonds), for a total of \$448.0 million. Proceeds from the 2000 Bonds and certain other available monies were used to legally defease the 1998 Bonds and a portion of certain outstanding 1997 Bonds and 1992 Bonds issued on behalf of the Corporation through deposits to irrevocable trusts pursuant to escrow agreements, and to pay certain expenses incurred in connection with the issuance of the 2000 Bonds, as well as fund a debt service reserve account.

At December 31, 2023 and 2022, the remaining 2000 Bonds consist of the 2000B Bonds with interest rates ranging from 6.20% to 6.23%, respectively, maturing through October 1, 2028. Payment of principal and interest on the 2000B Bonds is guaranteed by the National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation).

Interest on the 2000B Bonds will be compounded from the dates of delivery to their respective maturities, and will be payable only at maturity, or upon redemption prior to maturity or acceleration. Compounded interest payable on the 2000B Bonds was \$99.3 million and \$110.1 million at December 31, 2023 and 2022, respectively. 2000B Bonds mature in various amounts annually on October 1 through 2028. The 2000B Bonds are not subject to optional redemption prior to maturity.

Required debt service on all outstanding bonds is as follows:

	Principal	Interest	Total
	<i>(In Thousands)</i>		
2024	\$ 20,839	\$ 78,054	\$ 98,893
2025	21,560	78,268	99,828
2026	32,919	70,761	103,680
2027	33,909	67,294	101,203
2028	32,777	68,513	101,290
Thereafter	1,258,505	429,229	1,687,734
	\$ 1,400,509	\$ 792,119	\$ 2,192,628

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

For 2024 through final maturity of the 2000B Bonds, \$99.3 million is included in interest payments, which is paid at the various maturities of the 2000B Bonds. Included as part of the interest payments above is \$22.7 million of the 2000B Bonds' interest payable in 2024, which is paid at maturity of the Series 2000B Bonds.

For the variable-rate bond series, which includes the 2011A Bonds, 2011B Bonds, 2013C Bonds, 2023C Bonds and 2023D Bonds, the future periods' interest estimate was based on terms of the Master Trust Indenture and is calculated using an average of Securities Industry and Financial Markets Association (SIFMA) for tax-exempt issues over approximately the last 20 years plus 1.00% to estimate liquidity, credit support, and remarketing fees. Thus, for purposes of this presentation, the Corporation has utilized 2.2% at December 31, 2023.

The Corporation paid interest of \$63.7 million and \$67.3 million during the years ended December 31, 2023 and 2022, respectively. The Corporation capitalized interest costs of \$1.1 million and \$0.5 million during the years ended December 31, 2023 and 2022, respectively.

Interest Rate Swaps

The Corporation uses derivative instruments to manage its cost of capital through interest rate swaps, which generate cash flow meant to reduce interest expense. The Corporation pays a rate based upon the SIFMA Municipal Swap Index, an index of seven-day, high-grade, tax-exempt variable-rate demand obligations. In return, the Corporation receives a rate based upon the London Interbank Offered Rate (LIBOR). During 2023 LIBOR was replaced by a similar term Secured Overnight Financing Rate (SOFR) plus a spread adjustment to account for differences in LIBOR and SOFR.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The Corporation holds the following interest rate swaps at:

Counter Party	Notional Amount	Effective Date	Maturity Date	Receive	Pay	December 31	
						2023	2022
<i>(In Thousands)</i>							
Citigroup	\$ 94,210	9/1/2020	9/1/2040	2 times 0.9239% of SOFR plus 0.21%	2 times SIFMA	\$ 10,411	\$ 1,641
Citigroup	47,365	10/1/2004	10/1/2028	62.6% of SOFR plus 0.64%	SIFMA	419	257
Citigroup	140,000	11/3/2006	11/3/2031	61.7% of SOFR plus 0.65%	SIFMA	942	(1,623)
Citigroup	200,000	11/3/2008	11/3/2026	61.7% of ten-year SOFR plus 0.15%	SIFMA	(2,029)	(4,802)
JP Morgan		4/1/2019		0.124%	—	(4,916)	(9,581)
JP Morgan	200,000	11/3/2026	4/1/2039	61.7% of ten-year SOFR plus 0.160%	SIFMA		
JP Morgan	150,000	10/1/2023	10/1/2043	SIFMA	1.7685%	21,617	27,600
JP Morgan	100,000	07/01/2022	07/01/2042	75% of SOFR plus 0.516%	SIFMA	3,461	(1,822)
Total interest rate swaps asset (liability)						<u>\$ 29,905</u>	<u>\$ 11,670</u>

Citigroup and JP Morgan serve as counterparties for the Corporation's interest rate swaps. Consistent with industry practice, the interest rate swaps require posting of collateral should either party's cumulative contract value liability exceed certain thresholds based upon the credit rating of the counterparty. The Corporation's interest rate swaps are viewed under a master netting arrangement by each counterparty to determine the aggregate amount of collateral to be posted or received by the Corporation. At December 31, 2023 and 2022, based upon the agreements with Citigroup and JP Morgan, the Corporation's cumulative contract value was an asset of \$32.8 million and \$9.0 million, respectively. Based upon the Corporation's lowest credit rating (A), collateral must be posted for liabilities in excess of \$25.0 million. At December 31, 2023 and 2022, the Corporation had no collateral posted and was not required to post any collateral. Should the Corporation's credit rating fall below BBB, Citigroup and JP Morgan would have the option of terminating some or all of the interest rate swaps at the contract value. Should the Corporation hold all interest rate swaps to maturity, as it intends, no cash settlement will be necessary and any posted interest rate swap collateral will be returned.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

None of the Corporation's interest rate swaps have been designated as a hedge for accounting purposes; therefore, the change in fair value for these interest rate swaps is included in the combined statements of operations and changes in net assets as change in fair value of interest rate swaps within non-operating gains (losses). The fair value at December 31, 2023 and 2022, is included within interest rate swaps asset on the combined balance sheets. The fair value is calculated based on a discounted cash flow model taking into consideration the terms of each interest rate swap and the credit rating of the Corporation or counterparty, as applicable.

The cash flow impact of the interest rate swaps is included in interest rate swaps benefit, net in the combined statements of operations and changes in net assets. The cash flow for all but one of the interest rate swaps is settled semiannually on April 1 and October 1. The interest rate swap with an effective date of July 1, 2022, settles monthly. During the interim periods, a receivable or payable is recorded. As of December 31, 2023 and 2022, the cash flows were in a receivable position. The receivable is included within miscellaneous receivables on the combined balance sheets.

	Miscellaneous Receivable	Interest Rate Swap Asset (Liability)	Combined Balance Sheet, Net
	<i>(In Thousands)</i>		
December 31, 2021	\$ 732	\$ (3,156)	\$ (2,424)
Interest rate swaps benefit, net	3,934	–	3,934
Swap cash settlement received	(3,920)	–	(3,920)
Change in fair value of interest rate swaps	–	14,826	14,826
December 31, 2022	746	11,670	12,416
Interest rate swaps benefit, net	3,782	–	3,782
Swap cash settlement received	(3,278)	–	(3,278)
Change in fair value of interest rate swaps	–	18,235	18,235
December 31, 2023	\$ 1,250	\$ 29,905	\$ 31,155

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	December 31	
	2023	2022
	<i>(In Thousands)</i>	
Health care services	\$ 109,025	\$ 105,423
Investments to be held in perpetuity, the income from which is expendable to support health care services	27,669	26,534
Beneficial interest in trusts held by others, the income from which is expendable to support health care services	25,317	23,492
Total net assets with donor restrictions	<u>\$ 162,011</u>	<u>\$ 155,449</u>

9. Employee Benefit Plans

Defined Benefit Plan

Certain employees of the Corporation are covered by a non-contribution defined benefit pension plan (the Plan). The Plan was frozen effective January 1, 2010, and, as a result, no service cost was incurred in 2023 or 2022, and none is expected in future periods. Benefits are generally based upon years of service and an employee's annual compensation during his or her years of service up until January 1, 2010. Normal retirement benefits represent the greater of the net present value of certain legacy replaced pension plans (traditional benefit formula) or the participant's cash balance account, which continues to be credited with interest earnings until normal retirement date (the cash balance formula).

The Corporation annually funds an amount not less than the minimum required under the Employee Retirement Income Security Act of 1974.

The Plan has been named as a defendant in a class action suit brought on behalf of certain former employees who elected to take early retirement (the Plaintiff Class), alleging that lump-sum payments made by the Plan upon their retirement were incorrectly calculated. In early 2016, the United States District Court (the Court) issued its final, appealable order, indicating that the Plan owes additional lump-sum benefits to the Plaintiff Class. The Court ordered the Plan to recalculate benefits using a court determined formula, which is different than the formula as interpreted by

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

the Plan, and provide additional data to allow for recalculation of the benefits. As of both December 31, 2023 and 2022, management has estimated potential exposure to the Plan of \$60.2 million, which has been recorded by the Plan as part of the Plan's projected benefit obligation. Both the Plaintiff Class and the Plan appealed the Court's order and an appeals court hearing was held in June 2017. In May 2018, the United States Court of Appeals (Appeals Court) issued a ruling that the litigation be vacated in part and remanded to the lower Court for further evaluation. The Court issued a ruling in March 2024 on various matters of the class action suit some of which were in favor of the Plan and others in favor of the Plaintiff Class. The March 2024 ruling also established next steps which include that the Plan and Plaintiff Class are to submit a joint report outlining a proposed briefing schedule on whether a damages class may be certified at all, the scope of the potential Plaintiff Class, and how to calculate damages. The Court scheduled another hearing date for May 15, 2024. Based on both the Court and Appeals Court rulings and the nature of the ongoing litigation, management believes the estimated potential exposure recorded by the Plan is still the best estimate at the date of issuance of the December 31, 2023, combined financial statements.

A summary of the components of net periodic benefit cost, which is included in non-operating gains (losses) in the combined statements of operations and changes in net assets, for the Plan is as follows:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Interest cost	\$ 9,997	\$ 5,523
Expected return on plan assets	(7,126)	(6,938)
Amortization of net loss	2,300	1,146
Settlement cost	–	1,888
Net periodic benefit cost	<u>\$ 5,171</u>	<u>\$ 1,619</u>

A settlement cost is required under applicable pension accounting guidance when the amount of the lump-sum benefit payments made during the fiscal year exceeds the service cost plus interest cost components of net periodic pension cost. During 2022, the Plan paid \$9.6 million in lump-sum benefit payments, which exceeded the threshold of \$5.5 million. The settlement cost is determined by taking the ratio of the lump-sum benefit payments made to the projected benefit

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

obligation before settlement, multiplied by the unrecognized loss in the Plan. Lump-sum benefit payments did not exceed this threshold in 2023 and, as such, no settlement cost was recorded.

Included in net assets without donor restrictions are \$28.1 million and \$42.1 million of unrecognized actuarial losses at December 31, 2023 and 2022, respectively, which have not been recognized in net periodic benefit cost. The following amounts related to Plan activity have been recognized as an increase (decrease) in net assets without donor restrictions in change in pension plan assets and obligation on the combined statements of operations and changes in net assets:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Net gain (loss)	\$ 11,755	\$ (9,146)
Amortization of net loss	2,300	1,146
Settlement cost	—	1,888
	\$ 14,055	\$ (6,112)

A summary of the components of the changes in projected benefit obligation and fair value of plan assets for the Plan at and for the year ended December 31, is as follows:

	2023	2022
	<i>(In Thousands)</i>	
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 214,048	\$ 253,423
Interest cost	9,997	5,523
Actuarial gain	(389)	(30,977)
Benefit payments:		
Lump sum	(6,193)	(9,584)
Annuity	(4,178)	(4,337)
Projected benefit obligation at the end of year	213,285	214,048
Change in plan assets:		
Fair value of plan assets at beginning of year	161,778	208,885
Actual return (loss) on plan assets	18,493	(33,186)
Benefit payments:		
Lump sum	(6,193)	(9,584)
Annuity	(4,178)	(4,337)
Fair value of plan assets at end of year	169,900	161,778
Funded status and net pension liability	\$ (43,385)	\$ (52,270)

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

Since the Plan is frozen, there is no difference between the projected benefit obligation and the accumulated benefit obligation at December 31, 2023 or 2022.

Assumptions

Weighted-average assumptions used to determine the projected benefit obligation are as follows:

	December 31	
	2023	2022
Discount rate	4.71%	4.94%
Interest crediting rate (cash balance only)	4.48	1.35

Weighted-average assumptions used to determine net periodic benefit cost are as follows:

	December 31	
	2023	2022
Discount rate	4.94%	2.30%
Expected long-term rate of return on assets	6.00	4.25

The rate of return assumption was developed by applying an expected long-term rate of return, based primarily on long-term historical returns by asset type and applying the weighted-average percentage of total plan assets.

Plan Assets

The Plan seeks to assume an appropriate amount of risk to ensure enough assets are available over the life of the Plan to satisfy current and future liabilities. The Plan seeks to achieve and maintain a fully funded status while mitigating the funded status volatility. The strategy for achieving and maintaining this status may vary based on the current funded status, the duration of the Plan's liabilities, the demographics of plan participants, and other factors.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

The Plan’s target asset allocation is designed to meet the Plan’s projected benefit obligation as split between traditional benefit and cash balance formulas. The target allocation range for the traditional benefit portion of the Plan assets are as follows:

	December 31	
	2023	2022
Fixed income	55-100%	55-100%
Equity/real assets	0-45%	0-45%
	100%	100%

The asset allocation policy range for the cash balance portion of the Plan assets was as follows:

	December 31	
	2023	2022
Fixed income	60-100%	60-100%
Equity/real assets	0-40%	0-40%
Cash or other highly liquid investments	0-10%	0-10%
	100%	100%

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

Fair Value Measurements

The Plan's assets impacting the funded status of the Plan are accounted for under ASC 715, *Compensation – Retirement Benefits*, which requires all Plan assets to be recorded at fair value.

The following table presents the Plan's assets carried at fair value by type of investments and the fair value levels defined in Note 1:

	December 31		
	2023	2022	Level
	<i>(In Thousands)</i>		
Separately-managed accounts			
IR+M fixed income – traditional:			
Marketable debt securities:			
U.S. government and agencies	\$ 2,561	\$ 2,459	2
Corporate debt	45,772	42,515	2
Mortgage-backed	1,927	2,458	2
Asset-backed	1,547	1,947	2
Municipal bonds	1,547	1,845	2
Total IR+M fixed income – traditional	<u>53,354</u>	51,224	
IR+M fixed income – cash balance:			
Marketable debt securities:			
U.S. government and agencies	988	1,210	2
Corporate debt	11,486	20,467	2
Mortgage-backed	1,248	2,932	2
Asset-backed	676	1,830	2
Municipal bonds	294	457	2
Total IR+M fixed income – cash balance	<u>14,692</u>	26,896	
Total separately-managed accounts	<u>68,046</u>	78,120	

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

	December 31		
	2023	2022	Level
	<i>(In Thousands)</i>		
Mutual funds:			
Bond fund	\$ 24,668	\$ 12,997	1
International equity	19,775	21,078	1
Public real estate investment trust	7,219	5,770	1
Total mutual funds	<u>51,662</u>	<u>39,845</u>	
Common and collective trust funds:			
Domestic equities	34,237	29,405	NAV
International equities	3,903	3,458	NAV
Total common and collective trust funds	<u>38,140</u>	<u>32,863</u>	
Alternative investments:			
Real assets	5,819	5,580	1
Pooled separate accounts:			
Edge Asset Management	357	342	2
Money market fund	5,876	5,028	1
Total pooled separate accounts	<u>6,233</u>	<u>5,370</u>	
Total plan assets, at fair value	<u>\$ 169,900</u>	<u>\$ 161,778</u>	

Fair value methodologies for Plan assets identified as Level 1, Level 2, and NAV are consistent with the inputs described in Note 5.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Employee Benefit Plans (continued)

Cash Flows

The Corporation does not expect to contribute to the Plan in 2024. The following table sets forth the benefit payout projections for the next ten years (in thousands):

Plan year ending December 31:	
2024	\$ 24,760
2025	18,490
2026	16,100
2027	15,720
2028	13,510
2029 –2033	53,170

Defined Contribution Plan

403(b)

In addition to the Plan, the Corporation also has a 403(b) defined contribution plan. For participants in the 403(b) defined contribution plan, the Corporation provides a matching contribution on a per pay period basis, up to 4% of employees' compensation. The Corporation will fund an additional non-elective contribution of 2% for employees who have at least 20 years of service as of January 1, 2018, and who do not terminate at any time during the plan year and are employed as of the last day of the plan year.

Discretionary contributions to the 403(b) defined contribution plan are based upon years of service and the amount an employee contributes above 4% of their eligible compensation if they are actively employed on the last day of the plan year. For employees with 0 to less than 10 years of service at the end of the plan year, the Corporation will match 50% of the next 2% of the employee's contribution, while for those employees with 10 or more years of service at the end of the plan year, the Corporation will match 100% of the next 2% of the employee's contribution.

Total expense related to the 403(b) defined contribution plan was \$70.4 million and \$63.3 million for the years ended December 31, 2023 and 2022, respectively, and is included in labor and benefits on the combined statements of operations and changes in net assets.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Functional Expenses

The Corporation, through certain affiliates (principally Norton Hospitals, Inc. and Community Medical Associates, Inc.), provides general health care services to residents within its geographic location.

The tables below present expenses by both their nature and function.

	Health Care Services	Support Services	Total
	<i>(In Thousands)</i>		
Year ended December 31, 2023			
Operating expenses:			
Labor and benefits	\$ 1,848,319	\$ 283,127	\$ 2,131,446
Professional fees	160,733	155	160,888
Drugs and supplies	931,460	2,060	933,520
Fees and special services	99,345	85,641	184,986
Repairs, maintenance, and utilities	62,212	86,024	148,236
Rent and leases	53,012	2,831	55,843
Insurance	30,984	12,180	43,164
Provider tax	114,632	–	114,632
Other	19,428	13,454	32,882
Total operating expenses	<u>3,320,125</u>	<u>485,472</u>	<u>3,805,597</u>
Fixed expenses:			
Depreciation and amortization	132,053	20,494	152,547
Interest expense	55,009	(314)	54,695
Interest rate swap benefit, net	–	(3,780)	(3,780)
Total fixed expenses	<u>187,062</u>	<u>16,400</u>	<u>203,462</u>
Total expenses	<u>\$ 3,507,187</u>	<u>\$ 501,872</u>	<u>\$ 4,009,059</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Functional Expenses (continued)

	Health Care Services	Support Services	Total
	<i>(In Thousands)</i>		
Year ended December 31, 2022			
Operating expenses:			
Labor and benefits	\$ 1,696,092	\$ 254,665	\$ 1,950,757
Professional fees	139,726	260	139,986
Drugs and supplies	833,210	3,028	836,238
Fees and special services	88,919	78,562	167,481
Repairs, maintenance, and utilities	56,500	71,125	127,625
Rent and leases	49,412	3,252	52,664
Insurance	25,592	1,342	26,934
Provider tax	59,233	—	59,233
Other	16,999	12,786	29,785
Total operating expenses	2,965,683	425,020	3,390,703
Fixed expenses:			
Depreciation and amortization	120,715	31,556	152,271
Interest expense	46,455	4,236	50,691
Interest rate swap benefit, net	—	(3,934)	(3,934)
Total fixed expenses	167,170	31,858	199,028
Total expenses	<u>\$ 3,132,853</u>	<u>\$ 456,878</u>	<u>\$ 3,589,731</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

11. Commitments and Contingencies

The Corporation is in the process of improving and expanding its facilities. Future commitments related to the renovation of existing facilities or construction of new facilities totaled \$82.8 million and \$65.6 million at December 31, 2023 and 2022, respectively. This will be funded through bond proceeds and cash flows generated from operations.

The Corporation is subject to claims and suits arising in the ordinary course of business. Management assesses the probable outcome of unresolved litigation and records estimated settlements, if applicable. In the opinion of management, the ultimate resolution of pending legal proceedings will not have a material effect on the Corporation's combined financial position.

12. Leases

The Corporation has operating and finance leases for medical offices, administrative offices, and certain equipment leases.

The components of net lease expense are as follows:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Operating leases:		
Operating lease expense	\$ 37,148	\$ 34,851
Finance leases:		
Amortization of right-of-use assets	7,316	7,038
Interest on finance lease liabilities	3,429	3,665
Total finance lease expense	10,745	10,703
Short-term and variable lease expense	7,118	6,499
Less sublease income	(1,258)	(1,388)
Net lease expense	\$ 53,753	\$ 50,665

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

12. Leases (continued)

The following table presents the components of the Corporation's right-of-use assets and liabilities related to leases and their classification in the combined balance sheets at:

		December 31	
		2023	2022
		<i>(In Thousands)</i>	
Assets:			
Operating leases	Operating lease right-of-use assets, net	\$ 182,925	\$ 170,565
Finance leases	Property and equipment, net	59,714	63,107
Total lease right-of-use assets, net		\$ 242,639	\$ 233,672
Liabilities:			
Current:			
Operating leases	Current portion of operating lease liability	\$ 26,600	\$ 25,314
Finance leases	Current portion of long-term debt	8,342	6,764
Noncurrent:			
Operating leases	Long-term operating lease liability, net of current portion	157,444	145,714
Finance leases	Long-term debt, net of current portion	67,313	72,408
Total lease liabilities		\$ 259,699	\$ 250,200

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

12. Leases (continued)

Other information related to leases is as follows:

	Year Ended December 31	
	2023	2022
	<i>(In Thousands)</i>	
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 3,634	\$ 3,686
Operating cash flows from operating leases	36,407	34,121
Financing cash flows from finance leases	6,890	6,430
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	\$ 53,074	\$ 40,362
Finance leases	3,490	40
Weighted average remaining lease term (in years)		
Operating leases	7.9	7.5
Finance leases	13.9	13.8
Weighted average discount rate		
Operating leases	2.84%	2.46%
Finance leases	5.25	5.36

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

12. Leases (continued)

Commitments relating to non-cancellable operating and finance leases as of December 31, 2023, are as follows:

	<u>Operating</u>	<u>Finance</u>
	<i>(In Thousands)</i>	
2024	\$ 31,890	\$ 10,900
2025	34,700	10,020
2026	29,465	7,616
2027	25,338	7,747
2028	19,664	7,554
Thereafter	71,938	67,500
Total minimum future lease payments	<u>212,995</u>	<u>111,337</u>
Less imputed interest	<u>(28,951)</u>	<u>(35,682)</u>
Total lease liabilities	184,044	75,655
Less current portion	<u>(26,600)</u>	<u>(8,342)</u>
Long-term lease liabilities	<u>\$ 157,444</u>	<u>\$ 67,313</u>

13. Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of patient accounts receivable from patients and third-party payors is as follows:

	December 31	
	<u>2023</u>	<u>2022</u>
Medicare	25%	24%
Medicaid	19	21
Blue Cross	29	25
Other third-party payors	18	22
Self-pay	9	8
	<u>100%</u>	<u>100%</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

14. Acquisitions

Norton Scott/Clark

On September 29, 2023, the Corporation acquired the remaining 75% interest in The Regional Health Network of Kentucky and Southern Indiana, LLC (Regional) joint venture, which operated Clark and Scott Memorial Hospitals and other related healthcare facilities in southern Indiana (Norton Clark/Scott) for cash of \$37.1 million. As a result, the Corporation owns 100% of Norton Clark/Scott. Under applicable accounting guidance, the Corporation was required to adjust its historical equity method investment to fair value (\$13.2 million), resulting in loss of \$8.0 million, which is recorded in other non-operations losses, net in the combined statement of operations and changes in net assets during the year ended December 31, 2023. The fair value of the historical equity method investment was determined using a market approach. The key assumptions and estimates utilized in this approach included market data and market multiples which are considered Level 2 measurements. The Corporation believes these assumptions and estimates are reasonable and based on the best information available at the valuation date.

The acquisition constitutes a business combination as defined by ASC 805, *Business Combinations* (ASC 805). In accordance with ASC 805, assets acquired, and liabilities assumed are to be recorded at their estimated fair values on the combined balance sheet on September 29, 2023.

The allocation of purchase price to the assets acquired and liabilities assumed at the date of the acquisition is presented in the table below. The allocation is preliminary, pending final purchase price adjustments as well as final purchase accounting adjustments based upon acquisition date fair values. Management utilizes a third-party valuation firm to assist in the determination of acquisition date fair values, and specifically those considered Level 2 and 3 measurements, if applicable. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Corporation.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

14. Acquisitions (continued)

Assets	
Current assets	\$ 11,145
Property and equipment	53,460
Right of use assets	8,036
Goodwill	2,483
Liabilities	
Current liabilities	(14,752)
Long-term debt	(2,705)
Long-term operating lease liability	(7,389)
Total consideration	<u>\$ 50,278</u>

The total revenue and decrease in excess of revenue over expenses attributable to Norton Clark/Scott included in the combined statement of operations and changes in net assets during the year ended December 31, 2023, was \$49.0 million and \$5.7 million, respectively.

Norton King's Daughters' Health

On January 1, 2022, the Corporation completed a member substitution of King's Daughters' Health, Inc. (KDH), which operates an acute care hospital and related health care facilities in Madison, Indiana, for a purchase price of \$139.5 million. The member substitution enabled the Corporation to expand its customer base and to strengthen and ensure the future sustainability of KDH.

The member substitution of KDH constitutes a business combination as defined by ASC 805. In accordance with ASC 805, assets acquired, and liabilities assumed were recorded at their estimated fair values on the combined balance sheet on January 1, 2022.

The final allocation of purchase price to the assets acquired and liabilities assumed at the date of the acquisition is presented in the table below. This allocation is based upon valuations using management's estimates and assumptions. Management utilizes a third-party valuation firm to assist in the determination of acquisition date fair values, and specifically those considered Level 2 and Level 3 measurements, as applicable. Management ultimately oversees the third-party valuation firm to ensure that the transaction-specific assumptions are appropriate for the Corporation.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

14. Acquisitions (continued)

Purchase price	\$ 139,505
Identifiable assets acquired and liabilities assumed:	
Current assets	45,662
Assets limited as to use	219,392
Property and equipment	100,206
Other assets	9,115
Current liabilities	(12,938)
Long-term debt	<u>(88,265)</u>
Total identifiable net assets	<u>273,172</u>
Excess of net asset acquired over consideration paid	<u>\$ 133,667</u>

As a result of the KDH transaction, a contribution of the excess of unrestricted assets over liabilities of \$133.7 million was recognized as excess of net assets acquired over consideration paid for KDH on the combined statement of operations and net assets for the year ended December 31, 2022. The total revenue and decrease in net assets attributable to KDH included in the 2022 combined statement of operations and changes in net assets was \$124.9 million and \$43.5 million, respectively.

The working capital assets and liabilities for the Norton Clark/Scott and KDH transactions, as well as the property and equipment acquired and long-term debt assumed, were valued using Level 2 inputs, which included data points that are observable, such as definitive sales agreements, appraisals, quoted market prices or established market values of comparable assets (market approach). Significant increases (decreases) in any of those unobservable inputs in isolation would result in a significantly lower (higher) fair value measurement.

15. Subsequent Events

The Corporation has evaluated and disclosed any subsequent events through April 4, 2024, which is the date the accompanying combined financial statements were issued. No recognized or non-recognized subsequent events were identified for recognition or disclosure in the combined financial statements.

Supplementary Information

Report of Independent Auditors on Supplementary Information

The Board of Trustees
Norton Healthcare, Inc. and Affiliates

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The following combining balance sheet and combining statement of operations and changes in net assets without donor restrictions are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Ernst + Young LLP

April 4, 2024

Norton Healthcare, Inc. and Affiliates

Combining Balance Sheet

December 31, 2023

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Norton Healthcare – Indiana, Inc. ²	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children’s Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
<i>(In Thousands)</i>										
Assets										
Current assets:										
Cash and cash equivalents	\$ 242,082	\$ 8	\$ 22,352	\$ 22	\$ –	\$ –	\$ 788	\$ 11	\$ –	\$ 265,263
Marketable securities and other investments	72,983	–	–	–	–	–	–	–	–	72,983
Patient accounts receivable	17,582	337,945	46,679	76,390	–	(1)	–	–	–	478,595
Inventory	5,424	66,022	7,510	3,221	–	–	32	133	–	82,342
Prepaid expenses and other	76,587	3,673	2,406	–	309	–	61	–	–	83,036
Due from (to) third party payors, net	–	142,371	(3,634)	–	–	–	–	–	–	138,737
Miscellaneous receivables (payables)	27,445	644	(7)	7,018	2,668	–	2,274	1,076	–	41,118
Current portion of assets limited as to use	29,218	–	–	–	–	–	–	–	–	29,218
Total current assets	471,321	550,663	75,306	86,651	2,977	(1)	3,155	1,220	–	1,191,292
Assets limited as to use, net of current portion	1,740,537	–	206,393	–	–	–	81,817	45,908	–	2,074,655
Property and equipment, net	108,883	903,897	143,098	101,223	232,791	–	48	–	–	1,489,940
Other assets:										
Investments in joint ventures	21,776	–	2,185	16,416	–	10,898	–	–	(37,989)	13,286
Pledges receivable, net	–	–	–	–	–	–	17,434	7,701	–	25,135
Beneficial interest in trusts held by others	–	–	–	–	–	–	17,112	8,205	–	25,317
Goodwill and indefinite-lived intangible assets	–	7,626	2,483	14,002	–	–	–	–	–	24,111
Interest rate swaps asset	29,905	–	–	–	–	–	–	–	–	29,905
Operating lease right-of-use assets, net	1,940	8,051	8,852	–	164,082	–	–	–	–	182,925
Other assets	(65,354)	2,506,811	(452,918)	(1,716,080)	(235,347)	(10,269)	5,375	882	(422)	32,678
Total other assets	(11,733)	2,522,488	(439,398)	(1,685,662)	(71,265)	629	39,921	16,788	(38,411)	333,357
Total assets	\$ 2,309,008	\$ 3,977,048	\$ (14,601)	\$ (1,497,788)	\$ 164,503	\$ 628	\$ 124,941	\$ 63,916	\$ (38,411)	\$ 5,089,244

¹Includes the balance sheet for Norton, Norton Children’s, Norton Audubon, Norton Women’s and Children’s, and Norton Brownsboro Hospitals; Norton Children’s Medical Center; Norton Diagnostic Center- Fern Creek; Norton Diagnostic Center-DuPont; Norton Diagnostic Center-Brownsboro; Norton Diagnostic Center-Dixie; Norton Cancer Institute; Norton Hospitals, Inc. owned medical office building; Cardiovascular Diagnostic Centers; and Norton Healthcare pharmacies.

²Includes the balance sheet for Norton - King’s Daughters, Norton Clark/Scott Hospitals; and Norton Clark/Scott Physician Practices.

Norton Healthcare, Inc. and Affiliates
Combining Balance Sheet (continued)

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Norton Healthcare – Indiana, Inc. ²	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children’s Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
	<i>(In Thousands)</i>									
Liabilities and net assets										
Current liabilities:										
Accounts payable	\$ 20,838	\$ 70,546	\$ 10,698	\$ 1,297	\$ 1,177	\$ 7	\$ (2)	\$ 1	\$ –	\$ 104,562
Accrued expenses and other	68,571	40,662	8,197	18,166	1,608	(589)	224	31	–	136,870
Current portion of operating lease liability	939	1,609	739	–	23,313	–	–	–	–	26,600
Accrued payroll and related items	173,641	6,914	7,088	49,446	–	–	–	–	–	237,089
Accrued interest	12,940	–	–	–	–	–	–	–	–	12,940
Current portion of long-term debt	43,525	–	669	–	7,004	–	–	–	–	51,198
Total current liabilities	320,454	119,731	27,391	68,909	33,102	(582)	222	32	–	569,259
Other non-current liabilities:										
Pension liability	43,385	–	–	–	–	–	–	–	–	43,385
Insurance liability	94,080	–	662	–	–	–	–	–	–	94,742
Long-term operating lease liability, net of current portion	1,012	6,443	8,300	–	141,689	–	–	–	–	157,444
Other	101,141	9,908	409	–	4,528	–	2,159	2,400	–	120,545
Total other non-current liabilities	239,618	16,351	9,371	–	146,217	–	2,159	2,400	–	416,116
Long-term debt, net of current portion	1,541,346	–	2,534	–	65,447	–	–	–	–	1,609,327
Net assets (deficit):										
Without donor restrictions	198,580	3,837,896	(54,542)	(1,571,119)	(80,263)	1,210	35,676	3,504	(38,411)	2,332,531
With donor restrictions	9,010	3,070	645	4,422	–	–	86,884	57,980	–	162,011
Total net assets (deficit)	207,590	3,840,966	(53,897)	(1,566,697)	(80,263)	1,210	122,560	61,484	(38,411)	2,494,542
Total liabilities and net assets (deficit)	\$ 2,309,008	\$ 3,977,048	\$ (14,601)	\$ (1,497,788)	\$ 164,503	\$ 628	\$ 124,941	\$ 63,916	\$ (38,411)	\$ 5,089,244

¹Includes the balance sheet for Norton, Norton Children’s, Norton Audubon, Norton Women’s and Children’s, and Norton Brownsboro Hospitals; Norton Children’s Medical Center; Norton Diagnostic Center- Fern Creek; Norton Diagnostic Center-DuPont; Norton Diagnostic Center-Brownsboro; Norton Diagnostic Center-Dixie; Norton Cancer Institute; Norton Hospitals, Inc. owned medical office building; Cardiovascular Diagnostic Centers; and Norton Healthcare pharmacies.

²Includes the balance sheet for Norton - King’s Daughters, Norton Clark/Scott Hospitals; and Norton Clark/Scott Physician Practices.

Norton Healthcare, Inc. and Affiliates

Combining Statement of Operations and Changes in Net Assets without Donor Restrictions

Year Ended December 31, 2023

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Norton Healthcare – Indiana, Inc. ²	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children’s Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
<i>(In Thousands)</i>										
Revenue:										
Net patient service revenue	\$ 103,363	\$ 2,985,227	\$ 185,957	\$ 684,351	\$ –	\$ –	\$ –	\$ –	\$ (3,346)	\$ 3,955,552
Other revenue	31,101	17,344	1,312	39,622	65,918	–	1,390	1,498	(102,106)	56,079
Donations and contributions	3,350	5,037	376	3,913	–	–	18,900	13,184	(25,158)	19,602
Joint venture loss	–	–	–	–	–	(5,185)	–	–	–	(5,185)
Total revenue	137,814	3,007,608	187,645	727,886	65,918	(5,185)	20,290	14,682	(130,610)	4,026,048
Operating expenses:										
Labor and benefits	272,506	1,005,465	113,227	734,688	2,640	–	2,179	921	(180)	2,131,446
Professional fees	155	120,139	5,276	39,501	–	–	–	–	(4,183)	160,888
Drugs and supplies	94,448	731,187	34,628	72,295	179	–	301	488	(6)	933,520
Fees and special services	78,934	96,072	20,516	13,524	2,084	–	1,740	216	(28,100)	184,986
Repairs, maintenance, and utilities	83,079	40,157	9,824	9,788	5,378	–	8	2	–	148,236
Rent and leases	13,602	29,017	962	40,869	43,999	–	104	35	(72,745)	55,843
Insurance	11,379	13,772	2,030	15,330	375	–	200	78	–	43,164
Provider tax	–	101,384	13,248	–	–	–	–	–	–	114,632
Other	9,280	7,853	3,006	8,382	1,506	–	15,548	12,703	(25,396)	32,882
Management allocation	(413,619)	329,331	1,237	77,865	5,186	–	–	–	–	–
Total operating expenses	149,764	2,474,377	203,954	1,012,242	61,347	–	20,080	14,443	(130,610)	3,805,597
(Deficit) earnings before fixed expenses and other (losses) gains	(11,950)	533,231	(16,309)	(284,356)	4,571	(5,185)	210	239	–	220,451
Fixed expenses:										
Depreciation and amortization	17,562	96,874	12,365	12,290	13,446	–	8	2	–	152,547
Interest expense	(884)	50,427	1,761	–	3,391	–	–	–	–	54,695
Interest rate swap benefit, net	(3,780)	–	–	–	–	–	–	–	–	(3,780)
	12,898	147,301	14,126	12,290	16,837	–	8	2	–	203,462

¹Includes the statement of operations and changes in unrestricted net assets for Norton, Norton Children’s, Norton Audubon, Norton Women’s and Children’s, and Norton Brownsboro Hospitals; Norton Children’s Medical Center; Norton Diagnostic Center-Fern Creek; Norton Diagnostic Center-DuPont; Norton Diagnostic Center-Brownsboro; Norton Diagnostic Center-Dixie; Norton Cancer Institute; Norton Hospitals, Inc. owned medical office building; Cardiovascular Diagnostic Centers; and Norton Healthcare pharmacies.

²Includes the statement of operations and changes in net assets without donor restriction for Norton - King’s Daughters, Norton Clark/Scott Hospitals; and Norton Clark/Scott Physician Practices.

Norton Healthcare, Inc. and Affiliates

Combining Statement of Operations and Changes in Net Assets without Donor Restrictions (continued)

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Norton Healthcare – Indiana, Inc. ²	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children’s Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
	<i>(In Thousands)</i>									
Patient service (deficit) margin	\$ (24,848)	\$ 385,930	\$ (30,435)	\$ (296,646)	\$ (12,266)	\$ (5,185)	\$ 202	\$ 237	\$ –	\$ 16,989
Investment gain	40,918	–	7,160	–	–	–	1,140	127	–	49,345
Operating gain (loss)	16,070	385,930	(23,275)	(296,646)	(12,266)	(5,185)	1,342	364	–	66,334
Non-operating gains (losses):										
Change in net unrealized gains on investments	129,657	–	12,116	–	–	–	2,349	356	–	144,478
Change in fair value of interest rate swaps	18,235	–	–	–	–	–	–	–	–	18,235
Petersdorf Fund grants	(780)	–	–	31	–	–	–	–	–	(749)
Net periodic pension cost	(5,171)	–	–	–	–	–	–	–	–	(5,171)
Other non-operating (losses) gains, net	(7,764)	(310)	68	(31)	256	(7,526)	32	(8)	–	(15,283)
Total non-operating gains (losses), net	134,177	(310)	12,184	–	256	(7,526)	2,381	348	–	141,510
Excess of revenue over expenses (expenses over revenue)	150,247	385,620	(11,091)	(296,646)	(12,010)	(12,711)	3,723	712	–	207,844
Change in pension plan assets and obligation	14,057	–	–	–	–	–	–	–	–	14,057
Net assets released from restriction for equipment and other	(791)	777	–	1,526	–	–	885	(184)	–	2,213
Increase (decrease) in net assets without donor restrictions	\$ 163,513	\$ 386,397	\$ (11,091)	\$ (295,120)	\$ (12,010)	\$ (12,711)	\$ 4,608	\$ 528	\$ –	\$ 224,114

¹Includes the statement of operations and changes in unrestricted net assets for Norton, Norton Children’s, Norton Audubon, Norton Women’s and Children’s, and Norton Brownsboro Hospitals; Norton Children’s Medical Center; Norton Diagnostic Center-Fern Creek; Norton Diagnostic Center-DuPont; Norton Diagnostic Center-Brownsboro; Norton Diagnostic Center-Dixie; Norton Cancer Institute; Norton Hospitals, Inc. owned medical office building; Cardiovascular Diagnostic Centers; and Norton Healthcare pharmacies.

²Includes the statement of operations and changes in unrestricted net assets for Norton - King’s Daughters, Norton Clark/Scott Hospitals; and Norton Clark/Scott Physician Practices.

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