

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)

2020

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 **2020** calendar year, or tax year beginning , **2020**, 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 HOSPITALS, INC.**
 Doing business as
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
ACCOUNTING, 224 E BROADWAY, 5TH FLOOR
 City or town, state or province, country, and ZIP or foreign postal code
LOUISVILLE, KY 40202

D Employer identification number
61-0703799

E Telephone number
(502) 629-8263

F Name and address of principal officer: **RUSSELL F. COX**
4967 US HIGHWAY 42 SUITE 100, LOUISVILLE, KY 40222

G Gross receipts \$ **2,123,767,350**

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. See instructions

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

J Website: ▶ **WWW.NORTONHEALTHCARE.COM**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1969**

M State of legal domicile: **KY**

H(c) Group exemption number ▶

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>NORTON HOSPITALS, 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 FAITH HERITAGE.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	22
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	21
	5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	12,237
	6	Total number of volunteers (estimate if necessary)	6	659
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	7,491,189
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	110,980	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 10,439,382	Current Year 71,255,894
	9	Program service revenue (Part VIII, line 2g)	2,051,207,997	2,046,868,775
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	2,000
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,686,374	4,583,579
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,064,333,753	2,122,710,248
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	666,284,004	703,130,837
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1,147,632,663	1,207,280,791
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	1,813,916,667	1,910,411,628
19	Revenue less expenses. Subtract line 18 from line 12	250,417,086	212,298,620	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 2,777,133,873	End of Year 3,193,313,774
	21	Total liabilities (Part X, line 26)	132,535,974	336,544,733
	22	Net assets or fund balances. Subtract line 21 from line 20	2,644,597,899	2,856,769,041

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: _____
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: KIM SCIFRES Preparer's signature: Kim Scifres Date: 11/05/2021 Check if self-employed 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 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 Yes No

1 Briefly describe the organization's mission:
NORTON HOSPITALS, 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 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 \$ 1,861,252,939 including grants of \$) (Revenue \$ 2,042,671,304)
NORTON HOSPITALS, INC. (NHI) WAS FORMED TO: I) PROVIDE ON A NONPROFIT 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 OF 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.
NHI HAS A TOTAL OF 1,907 LICENSED BEDS, NORTON HOSPITAL - 605 BEDS; NORTON CHILDREN'S HOSPITAL - 300 BEDS; NORTON AUDUBON HOSPITAL - 432 BEDS; NORTON WOMEN'S AND CHILDREN'S HOSPITAL - 373 BEDS; AND NORTON BROWNSBORO HOSPITAL - 197 BEDS. THESE HOSPITALS OPERATE TWENTY-FOUR (24) HOURS A DAY, SEVEN (7) DAYS A WEEK. IN 2020, NHI'S HOSPITALS AND DIAGNOSTIC CENTERS SERVED 67,225 INPATIENTS, 543,384 OUTPATIENTS, 205,571 EMERGENCY DEPARTMENT VISITS, AND 25,467 OBSERVATION CASES. IN ADDITION, NHI'S (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 ▶ 1,861,252,939

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> See instructions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	<input 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 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 lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	✓	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	✓	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in 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	12,237		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	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 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			✓

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► 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, (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 instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See 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)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RUSSELL F. COX PRESIDENT & CEO/TRUSTEE	10.0 40.0	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				0	2,512,441	200,831
(2) MICHAEL W. GOUGH EXEC VP AND COO	10.0 40.0			<input checked="" type="checkbox"/>				0	1,545,025	142,238
(3) AARON SPALDING, M.D. PHYSICIAN	50.0 0.0					<input checked="" type="checkbox"/>	1,483,232	0	68,902	
(4) SHAWN GLISSON, M.D. PHYSICIAN	50.0 0.0					<input checked="" type="checkbox"/>	1,295,072	0	50,264	
(5) JOSEPH MALY, M.D. PHYSICIAN	50.0 0.0					<input checked="" type="checkbox"/>	1,286,583	0	48,708	
(6) YONG CHA, M.D. PHYSICIAN	50.0 0.0					<input checked="" type="checkbox"/>	1,207,439	0	61,420	
(7) DON STEVENS, M.D. PHYSICIAN	50.0 0.0					<input checked="" type="checkbox"/>	1,184,067	0	51,886	
(8) JOSEPH FLYNN, D.O. CAO NMG - PHYSICIAN -IN-CHIEF NCI	50.0 0.0					<input checked="" type="checkbox"/>	882,142	0	144,504	
(9) ADAM KEMPF SR VP, CFO/TREASURER	10.0 40.0			<input checked="" type="checkbox"/>			0	860,845	154,149	
(10) ROBERT B. AZAR SR VP CHIEF LEGAL OFFICER/SECRETARY	10.0 40.0			<input checked="" type="checkbox"/>			0	822,706	129,978	
(11) THOMAS KMETZ FORMER DIVISION PRESIDENT WOMEN AND CHILDREN SERVICES	0.0 0.0					<input checked="" type="checkbox"/>	844,306	0	5,571	
(12) MATTHEW AYERS HOSPITAL CAO	50.0 0.0					<input checked="" type="checkbox"/>	523,493	0	96,576	
(13) CHARLOTTE IPSAN HOSPITAL CAO	50.0 0.0					<input checked="" type="checkbox"/>	502,727	0	99,971	
(14) ANDREW STRAUSBAUGH HOSPITAL CAO	50.0 0.0					<input checked="" type="checkbox"/>	461,129	0	90,137	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) EMMETT RAMSER HOSPITAL CAO	49.0 1.0				✓		453,759	0	96,782	
(16) ERWIN ROBERTS TRUSTEE	1.0 2.5	✓					0	1,600	0	
(17) RITA HUDSON SHOURDS, EDD TRUSTEE	1.0 2.5	✓					0	1,600	0	
(18) GARY L. STEWART CHAIR	1.0 11.5	✓					0	0	0	
(19) EDIE NIXON VICE CHAIR	1.0 7.5	✓					0	0	0	
(20) BARRY PENNYBAKER TRUSTEE	1.0 2.5	✓					0	0	0	
(21) BRENDAN CANAVAN TRUSTEE	1.0 2.5	✓					0	0	0	
(22) CRAIG D. GRANT TRUSTEE	1.0 4.5	✓					0	0	0	
(23) DONALD H. ROBINSON TRUSTEE	1.0 6.5	✓					0	0	0	
(24) G. HUNT ROUNSAVALL, SR. TRUSTEE	1.0 5.5	✓					0	0	0	
(25) (SEE STATEMENT)										
1b Subtotal							10,123,951	5,744,216	1,441,918	
c Total from continuation sheets to Part VII, Section A							0	0	0	
d Total (add lines 1b and 1c)							10,123,951	5,744,216	1,441,918	

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 ► **494**

	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>	3	✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	✓

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MESSER CONSTRUCTION CO., 11001 PLANTSIDE DR., LOUISVILLE, KY 40299	CONSTRUCTION	45,426,076
WEHR CONSTRUCTORS INC., 2517 PLANTSIDE DR, LOUISVILLE, KY 40299	CONSTRUCTION	10,131,191
NORTHSTAR ANESTHESIA OF KY II PLLC, 6225 N STATE HWY 161, SUITE 200, IRVING, TX 75038	ANESTHESIA SERVICES	9,531,239
MORRISON MANAGEMENT SPECIALIST, 400 NORTHRIDGE RD, SUITE 600, SANDY SPRINGS, GA 30350	FOOD SERVICE	7,911,889
AMN HEALTHCARE, INC., 2735 COLLECTION CENTER DR, CHICAGO, IL 60693	NURSE STAFFING SERVICES	7,192,567

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 ► **141**

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	10,464,673				
	e	Government grants (contributions)	1e	60,791,221				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f	1g	\$ 597,733				
	h	Total. Add lines 1a-1f		71,255,894				
	Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 621110	2,046,532,968	2,039,061,826	7,471,142	
b		HEALTHCARE EDUCATION	624190	335,807	335,807			
c								
d								
e								
f		All other program service revenue		0	0	0	0	
g		Total. Add lines 2a-2f		2,046,868,775				
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	1,056,065				
			(ii) Personal					
			6b	Less: rental expenses	1,057,102			
			6c	Rental income or (loss)	(1,037)	0		
	d	Net rental income or (loss)		(1,037)			(1,037)	
	7a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other	2,000				
			7b	Less: cost or other basis and sales expenses	0			
			7c	Gain or (loss)	0	2,000		
	d	Net gain or (loss)		2,000			2,000	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
	b	Less: direct expenses	8b					
c	Net income or (loss) from fundraising events							
9a	Gross income from gaming activities. See Part IV, line 19	9a						
b	Less: direct expenses	9b						
c	Net income or (loss) from gaming activities							
10a	Gross sales of inventory, less returns and allowances	10a						
		b	Less: cost of goods sold	10b				
		c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue	11a	PURCHASING CO-OP INC	Business Code 561499	2,187,513	2,167,466	20,047		
	b	PARKING INCOME	812930	1,290,897			1,290,897	
	c	AFFILIATION AGREEMENT	621990	515,303	515,303			
	d	All other revenue	900099	590,903	590,903	0	0	
	e	Total. Add lines 11a-11d		4,584,616				
12	Total revenue. See instructions		2,122,710,248	2,042,671,305	7,491,189	1,291,860		

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	2,310,259	2,310,259		
6	Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	354,601	354,601		
7	Other salaries and wages	565,130,761	565,130,761		
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	30,718,488	30,718,488		
9	Other employee benefits	65,839,784	65,839,784		
10	Payroll taxes	38,776,944	38,776,944		
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.)	167,436,242	167,436,242	0	0
12	Advertising and promotion				
13	Office expenses	8,358,171	8,358,171		
14	Information technology				
15	Royalties				
16	Occupancy	23,723,770	23,723,770		
17	Travel	2,513,391	2,513,391		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	45,128,392	45,128,392		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	76,348,125	76,348,125		
23	Insurance	14,800,033	14,800,033		
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>	547,773,021	547,773,021		
b	<u>ALLOCATED SUPPORT</u>	277,106,476	227,947,787	49,158,689	
c	<u>PROVIDER TAX</u>	24,554,370	24,554,370		
d	<u>REPAIRS & MAINTENANCE</u>	15,213,225	15,213,225		
e	All other expenses	4,325,575	4,325,575	0	0
25	Total functional expenses. Add lines 1 through 24e	1,910,411,628	1,861,252,939	49,158,689	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	9,000	1	9,000
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	226,547,434	4	223,213,275
	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	0	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)	0	6	0
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	56,299,747	8	59,958,395
	9 Prepaid expenses and deferred charges	2,403,879	9	1,440,301
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,003,063,979		
	b Less: accumulated depreciation	10b 1,093,051,181	836,368,295	10c 910,012,798
	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	2,545,313	13	0
	14 Intangible assets	8,340,110	14	7,445,984
	15 Other assets. See Part IV, line 11	1,644,620,095	15	1,991,234,021
16 Total assets. Add lines 1 through 15 (must equal line 33)	2,777,133,873	16	3,193,313,774	
Liabilities	17 Accounts payable and accrued expenses	99,860,608	17	154,961,988
	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	0	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	32,675,366	25	181,582,745
	26 Total liabilities. Add lines 17 through 25	132,535,974	26	336,544,733
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	2,634,171,147	27	2,850,901,241
	28 Net assets with donor restrictions	10,426,752	28	5,867,800
	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	2,644,597,899	32	2,856,769,041	
33 Total liabilities and net assets/fund balances	2,777,133,873	33	3,193,313,774	

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	2,122,710,248
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,910,411,628
3	Revenue less expenses. Subtract line 2 from line 1	3	212,298,620
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	2,644,597,899
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	(127,478)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	2,856,769,041

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		✓
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain 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 Single Audit Act and OMB Circular A-133?		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits.		

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(25) GAIL LYTTLE ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0
(26) GREGORY E. MAYES ----- TRUSTEE	1.0 ----- 6.5	✓						0	0	0
(27) JAMES L. SUBLETT, M.D. ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0
(28) LEE K. GARLOVE ----- TRUSTEE	1.0 ----- 3.5	✓						0	0	0
(29) MARIA L. BOUVETTE ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0
(30) MARSHALL FARRER ----- TRUSTEE (PARTIAL YEAR)	1.0 ----- 2.5	✓						0	0	0
(31) MARTHA K. HEYBURN, M.D. ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0
(32) REV WILLIAM J. SCHULTZ ----- TRUSTEE	1.0 ----- 4.5	✓						0	0	0
(33) RICHARD R. IVEY ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0
(34) RICHARD S. WOLF, M.D. ----- CHAIR EMERITUS	1.0 ----- 2.5	✓						0	0	0
(35) RICK GUILLAUME ----- CHAIR EMERITUS	1.0 ----- 3.5	✓						0	0	0
(36) RONALD LEHOCKY, M.D. ----- TRUSTEE	1.0 ----- 4.5	✓						0	0	0
(37) SUE DAVIS, EDD, RN ----- TRUSTEE	1.0 ----- 2.5	✓						0	0	0

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the organization NORTON HOSPITALS, INC.	Employer identification number 61-0703799
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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 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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 2020 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2020. 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—2019. 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—2020. 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—2019. 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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 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 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2020. 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—2019. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on 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 or 990-EZ).</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
9b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
9c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 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 in lines 11b and 11c below, the governing body of a supported organization?		
11a		
b A family member of a person described in line 11a above?		
11b		
c A 35% controlled entity of a person described in 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 in 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.	Yes	No
2a		
b Did the activities described in 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).		

Schedule A (Form 990 or 990-EZ) 2020

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 2020 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-2020	(iii) Distributable Amount for 2020
1 Distributable amount for 2020 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2020 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2020			
a From 2015			
b From 2016			
c From 2017			
d From 2018			
e From 2019			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2020 distributable amount			
i Carryover from 2015 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2020 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2020 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2020, 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 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2021. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2016			
b Excess from 2017			
c Excess from 2018			
d Excess from 2019			
e Excess from 2020			

Schedule of Contributors

2020

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

Name of the organization NORTON HOSPITALS, INC.	Employer identification number 61-0703799
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Organization type (check one):

Filers of:

Section:

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

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

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

General Rule

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

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33¹/₃% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering “N/A” in column (b) instead of the contributor name and address), II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don’t complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

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

Name of organization NORTON HOSPITALS, INC.	Employer identification number 61-0703799
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Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 7,356,150	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 3,108,523	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization NORTON HOSPITALS, INC.	Employer identification number 61-0703799
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Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	BOOKS AND HOUSEHOLD GOODS ----- ----- -----	\$ 95,238	02/03/2020 -----
2	MEDICAL SUPPLIES, HOSPITAL EQUIPMENT, DONATED MEALS ----- ----- -----	\$ 502,495	04/01/2020 -----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Name of organization NORTON HOSPITALS, INC.	Employer identification number 61-0703799
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Part III *Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.* Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2020

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

- ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
- ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

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 HOSPITALS, INC.	Employer identification number 61-0703799
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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%;"> <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) 2017	(b) 2018	(c) 2019	(d) 2020	(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?	✓		65,685
j Total. Add lines 1c through 1i			65,685
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

SEE NEXT PAGE

Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE C, PART II-B, LINE 1 - DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY	NORTON HOSPITALS, INC. PAYS DUES TO THE KENTUCKY HOSPITAL ASSOCIATION. A PORTION OF THOSE DUES IN THE AMOUNT OF \$65,685 WAS SPENT BY THE KENTUCKY HOSPITAL ASSOCIATION ON LOBBYING.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

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.

2020

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization NORTON HOSPITALS, INC.

Employer identification number 61-0703799

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

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number, aggregate value, and donor advisement questions.

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

Table with 3 columns: Line number, Description, Held at the End of the Tax Year. Includes rows for purpose of easements, acreage, and monitoring expenses.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, Amount. Includes rows for art collection reporting requirements and revenue/assets.

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 on Part XIII

Part V Endowment Funds.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	24,411,014	18,881,092	20,691,046	18,843,030	18,722,595
b Contributions	898,799	2,971,598	127,680	30,621	31,092
c Net investment earnings, gains, and losses	2,852,846	3,518,035	(1,053,047)	2,617,227	987,970
d Grants or scholarships					
e Other expenditures for facilities and programs	1,106,318	959,711	884,587	799,832	898,627
f Administrative expenses					
g End of year balance	27,056,341	24,411,014	18,881,092	20,691,046	18,843,030

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ 0.00 %
- b** Permanent endowment ▶ 84.86 %
- c** Term endowment ▶ 15.14 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** Unrelated organizations
- (ii)** Related organizations

	Yes	No
3a(i)		✓
3a(ii)	✓	
3b	✓	

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

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		25,560,360		25,560,360
b Buildings		1,033,442,843	456,709,846	576,732,997
c Leasehold improvements				
d Equipment		758,353,952	627,533,752	130,820,200
e Other		185,706,824	8,807,583	176,899,241
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				910,012,798

Part VII Investments—Other Securities.

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

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

Part VIII Investments—Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) RECEIVABLE FROM AFFILIATE	1,990,303,387
(2) MISCELLANEOUS RECEIVABLES	722,422
(3) RIGHT OF USE ASSETS	208,212
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	1,991,234,021

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) DUE TO THIRD PARTY PAYORS	23,963,765
(3) ASSET RETIREMENT OBLIGATION	8,586,353
(4) LEASE LIABILITIES	208,213
(5) CONTRACT LIABILITIES	148,824,414
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	181,582,745

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 XIII

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

Return Reference - Identifier	Explanation
SCHEDULE D, PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUNDS	THE CHILDREN'S HOSPITAL FOUNDATION, INC. AND NORTON HEALTHCARE FOUNDATION, INC. UTILIZE INCOME GENERATED FROM ENDOWMENT FUNDS TO SUPPORT VARIOUS PROGRAMS, SERVICES AND CAPITAL PROJECTS FOR THE BENEFIT OF NORTON HOSPITALS, INC.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2020

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization NORTON HOSPITALS, INC.	Employer identification number 61 0703799
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Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	✓	
b If "Yes," was it a written policy?	✓	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free care</i> ? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>300</u> %	✓	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted care</i> ? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input 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)			12,236,287	830,381	11,405,906	0.60
b Medicaid (from Worksheet 3, column a)			460,425,261	408,969,689	51,455,572	2.69
c Costs of other means-tested government programs (from Worksheet 3, column b)			582,610	0	582,610	0.03
d Total. Financial Assistance and Means-Tested Government Programs	0	0	473,244,158	409,800,070	63,444,088	3.32
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			12,523,178	1,953,138	10,570,040	0.55
f Health professions education (from Worksheet 5)			81,427,778	5,686,952	75,740,826	3.96
g Subsidized health services (from Worksheet 6)					0	0.00
h Research (from Worksheet 7)			2,408,549		2,408,549	0.13
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,037,124		3,037,124	0.16
j Total. Other Benefits	0	0	99,396,629	7,640,090	91,756,539	4.80
k Total. Add lines 7d and 7j	0	0	572,640,787	417,440,160	155,200,627	8.12

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			610,592		610,592	0.03
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	610,592	0	610,592	0.03

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	0
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3	1,752,929
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	378,585,808
6	Enter Medicare allowable costs of care relating to payments on line 5	6	414,558,819
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	(35,973,011)
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 type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
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? 5

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

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 NORTON HOSPITAL 200 E CHESTNUT ST, LOUISVILLE, KY 40202 HTTPS://NORTONHEALTHCARE.COM/LOCATION/HOSPITALS/NORTON-HOSPITAL/ STATE LICENSE NO. : 100234	✓	✓		✓			✓			A
2 NORTON CHILDREN'S HOSPITAL 231 E CHESTNUT ST, LOUISVILLE, KY 40202 HTTP://WWW.NORTONCHILDRENS.COM/ STATE LICENSE NO. : 100234	✓	✓	✓	✓			✓			A
3 NORTON WOMEN'S AND CHILDREN'S HOSPITAL 4001 DUTCHMANS LANE, LOUISVILLE, KY 40207 HTTPS://NORTONHEALTHCARE.COM/LOCATION/HOSPITALS/NORTON-WOMENS-AND-CHILDRENS-HOSPITAL/ STATE LICENSE NO. : 100255	✓	✓		✓			✓			A
4 NORTON AUDUBON HOSPITAL ONE AUDUBON PLAZA DRIVE, LOUISVILLE, KY 40217 HTTPS://NORTONHEALTHCARE.COM/LOCATION/HOSPITALS/NORTON-AUDUBON-HOSPITAL/ STATE LICENSE NO. : 100252	✓	✓		✓			✓			A
5 NORTON BROWNSBORO HOSPITAL 4950 NORTON HEALTHCARE BLVD, LOUISVILLE, KY 40241 HTTPS://NORTONHEALTHCARE.COM/LOCATION/HOSPITALS/NORTON-BROWNSBORO-HOSPITAL/ STATE LICENSE NO. : 100475	✓	✓					✓			A
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): _____

		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 checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The significant health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j	<input type="checkbox"/> Other (describe in Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u>		
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	✓	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	✓	
6b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	✓	
7	Did the hospital facility make its CHNA report widely available to the public?	✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	<input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</u>		
b	<input type="checkbox"/> Other website (list url): _____		
c	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d	<input type="checkbox"/> Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	✓	
9	Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	✓	
a	If "Yes," (list url): <u>(SEE STATEMENT)</u>		
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		✓
12b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group A

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	✓	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>3 0 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?	23	✓
	If "Yes," explain in Section C.		
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	✓
	If "Yes," explain in Section C.		

Supplemental Information. Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 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 6A - CHNA CONDUCTED WITH ONE OR MORE OTHER HOSPITAL FACILITIES	<p>FACILITY NAME: ALL HOSPITALS</p> <p>DESCRIPTION: NORTON HOSPITALS, INC. OWNS AND OPERATES FIVE HOSPITALS LOCATED IN LOUISVILLE, JEFFERSON COUNTY, KENTUCKY. THE HOSPITALS ARE: - NORTON HOSPITAL - NORTON CHILDREN'S HOSPITAL - NORTON WOMEN'S AND CHILDREN'S HOSPITAL - NORTON AUDUBON HOSPITAL - NORTON BROWNSBORO HOSPITAL</p>
SCHEDULE H, PART V, SECTION B, LINE 6B - CHNA CONDUCTED WITH ONE OR MORE ORGANIZATIONS OTHER THAN HOSPITAL FACILITIES	<p>FACILITY NAME: OTHER ORGANIZATIONS</p> <p>DESCRIPTION: NORTON COLLABORATED WITH THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS (LMDPHW) AND A VARIETY OF PARTNERS RANGING FROM OTHER LOCAL HEALTH SYSTEMS TO THE JEFFERSON COUNTY PUBLIC SCHOOL SYSTEM AND OTHER COMMUNITY ORGANIZATIONS. ALL OF THESE ORGANIZATIONS WORKED TOGETHER TO ENSURE A COORDINATED APPROACH TO GATHERING INITIAL PRIMARY DATA. THROUGH THIS COLLABORATION, A COMMUNITY HEALTH SURVEY WAS CONDUCTED USING BOTH ONLINE AND PAPER SURVEY METHODOLOGIES. AFTER THE CONCLUSION OF THE SURVEY, A FEW SPECIFIC UNDER-REPRESENTED POPULATIONS IN THE SURVEY RESULTS WERE FOUND. TO ENSURE THAT THE OPINIONS AND PERSPECTIVES OF THESE GROUPS WERE ADEQUATELY REPRESENTED, EIGHT TARGETED FOCUS GROUPS WERE HELD. COMMUNITY INPUT ALSO WAS OBTAINED THROUGH KEY STAKEHOLDER INTERVIEWS OF 43 COMMUNITY LEADERS AND HEALTH CARE PROVIDERS. TO ENSURE THE MEDICALLY UNDERSERVED WERE REPRESENTED IN THIS CHNA, INTERVIEWS WERE CONDUCTED WITH REPRESENTATIVES FROM LMDPHW, JEFFERSON COUNTY PUBLIC SCHOOLS AND HEALTH CARE ORGANIZATIONS SERVING NEIGHBORHOODS WHERE MEDIAN HOUSEHOLD INCOMES ARE VERY LOW, AS WELL AS AGENCIES PROVIDING SERVICES RELATED TO MENTAL HEALTH, DOMESTIC VIOLENCE AND RECENT IMMIGRATION TO THE UNITED STATES.</p>
SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL)	https://nortonhealthcare.com/about-us/community-health-needs-assessment/
SCHEDULE H, PART V, SECTION B, LINE 10 - IF "YES", (LIST URL)	https://nortonhealthcare.com/about-us/community-health-needs-assessment/

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA</p>	<p>FACILITY NAME: ALL HOSPITALS</p> <p>DESCRIPTION: DRUG USE</p> <p>IN 2019 THE KENTUCKY POISON CONTROL CENTER OF NORTON CHILDREN'S HOSPITAL LAUNCHED A 24/7 SUPPORT HOTLINE FOR HEALTH CARE PROVIDERS, PATIENTS AND FIRST RESPONDERS ON OPIOID-RELATED ISSUES. THE KENTUCKY OPIOID ASSISTANCE & RESOURCE HOTLINE - (800) 854-6813 - IS STAFFED BY TOXICOLOGY-CERTIFIED NURSES AND PHARMACISTS. FOR THE COMMUNITY, THE HOTLINE OFFERS ADVICE ON SAFE MEDICATION DISPOSAL, WHERE TO GET NALOXONE AND HOW TO USE IT. STAFF ALSO CAN DIRECTLY CONNECT USERS AND THEIR FAMILIES TO OPERATION UNITE FOR SUBSTANCE USE DISORDER TREATMENT AND ASSIST DISPLACED PATIENTS OF PAIN CLINICS THAT SUDDENLY CLOSE.</p> <p>THE NORTON MATERNAL OPIATE AND SUBSTANCE TREATMENT (MOST) PROGRAM WAS CREATED TO HELP PREGNANT WOMEN BREAK THE CYCLE OF ADDICTION. THE MOST PROGRAM OFFERS KNOWLEDGEABLE, SUPPORTIVE STAFF MEMBERS WHO ARE SKILLED IN CARING FOR PREGNANT WOMEN WITH SUBSTANCE USE DISORDERS AND FOR THEIR BABIES. IN 2020, 112 WOMEN ENROLLED IN THE PROGRAM AND 78% DELIVERED THEIR BABIES FULL TERM. NORTON HOSPITALS, INC. (NHI) IS WORKING TO EXPAND THIS ADDICTION RECOVERY PROGRAM THROUGH USE OF NURSE PRACTITIONERS/NAVIGATORS.</p> <p>HEALTH EDUCATORS FROM NORTON CHILDREN'S PREVENTION & WELLNESS TEAM OFFER WELLNESS WORKSHOPS IN HEALTH AND PHYSICAL EDUCATION CLASSROOMS, AFTER-SCHOOL EVENTS AND SUMMER PROGRAMS. THIS PEER-TO-PEER EDUCATION SUPPORTS YOUNG PEOPLE IN DEVELOPING POSITIVE GROUP NORMS AND IN MAKING HEALTHY DECISIONS. WORKSHOPS ARE OFFERED AS A FOUR-PART SERIES AND EMPOWER STUDENTS TO BECOME VOICES IN THEIR SCHOOL TO ENCOURAGE HEALTHY BEHAVIORS AND DECISION-MAKING.</p> <p>IN 2018 NHI CREATED AN OPIOID STEWARDSHIP PROGRAM TO DEVELOP PROTOCOLS FOR OPIOID USE AND DISPOSAL IN BOTH THE HOSPITAL AND AMBULATORY SETTING, AND TO PROMOTE ALTERNATIVE PAIN MANAGEMENT METHODS TO REDUCE THE NUMBER OF OPIOIDS IN THE COMMUNITY. THE PROGRAM FOCUSES ON CHANGING PRESCRIPTION PRACTICES BASED ON RECOMMENDATIONS MADE BY THE JOINT COMMISSION, A HEALTH CARE ACCREDITATION ORGANIZATION.</p> <p>OBESITY</p> <p>NHI OFFERS FREE HEALTHY LIVING WELLNESS GROUP VIRTUAL CLASSES LED BY CERTIFIED HEALTH COACHES. FOR PARENTS OF CHILDREN AGES 8 TO 17. THIS CLASS SERIES IS AIMED AT SUPPORTING FAMILIES ON THEIR WELLNESS JOURNEYS THROUGH HELPING THEM REACH THEIR WELLNESS GOALS IN AN ENGAGING AND SUPPORTIVE VIRTUAL GROUP SETTING. NORTON CHILDREN'S PREVENTION & WELLNESS TEAM ALSO OFFERS GROWING COOKS, A THREE-WEEK VIRTUAL COOKING CLASS THEY CAN TAKE FROM HOME. EACH FAMILY IS RECEIVES A GIFT CARD TO OFFSET GROCERY COSTS.</p> <p>THE NORTON HEALTH & WELLNESS CENTER OFFERS FREE WEIGHT MANAGEMENT SEMINARS TO THE COMMUNITY IN EITHER AN IN-PERSON OR ONLINE SETTING. SERVICES INCLUDE EDUCATIONAL SEMINARS, SUPPORT GROUPS, A DEMONSTRATION KITCHEN AND MORE.</p> <p>NHI CONTINUES TO OFFER FREE HEALTH SCREENINGS AND EDUCATION TO THE COMMUNITY THROUGH USE OF OUR MOBILE PREVENTION UNIT, AS WELL AS THROUGH VARIOUS COMMUNITY EVENTS AND HEALTH FAIRS. IN 2020, THERE WERE OVER 1,794 FREE SCREENINGS PERFORMED IN THE COMMUNITY.. THROUGH A PARTNERSHIP WITH MORE THAN 200 COMMUNITY ORGANIZATIONS, THE NORTON HEALTHCARE MOBILE PREVENTION CENTER CONNECTS PEOPLE TO WELLNESS AT MULTIPLE STOPS EVERY WEEK. MANY OF THE SCREENINGS ARE PROVIDED AT LOW COST OR NO COST, AND OTHERS TYPICALLY ARE COVERED BY INSURANCE.</p> <p>SMOKING/TOBACCO USE</p> <p>NORTON HEALTHCARE PREVENTION & WELLNESS OFFERS A COMPREHENSIVE TOBACCO CESSATION PROGRAM TO HELP THOSE IN THE COMMUNITY STRUGGLING WITH TOBACCO ADDICTION. CLASSES MEET FOR EIGHT 60- TO 90-MINUTE SESSIONS OVER SEVEN WEEKS. CLASSES FOLLOW THE AMERICAN LUNG ASSOCIATION FREEDOM FROM SMOKING PROGRAM, PROVEN TO BE EFFECTIVE FOR MILLIONS OF SMOKERS.</p> <p>THE COMPREHENSIVE LUNG CENTER AT NORTON CANCER INSTITUTE IS A SCREENING CENTER OF EXCELLENCE, AS DESIGNATED BY THE LUNG CANCER ALLIANCE. LED BY A TEAM OF LUNG SPECIALISTS, THE CENTER COMBINES FOUR COMPREHENSIVE COMPONENTS - PREVENTION, SCREENING, DIAGNOSIS AND TREATMENT - TO ENSURE EACH PATIENT HAS ACCESS TO STATE-OF-THE-ART LUNG CANCER SCREENING, SAME-DAY FOLLOW-UP APPOINTMENTS AND FAST-TRACK TREATMENT AND SUPPORT SERVICES. THE COMPREHENSIVE LUNG CENTER ALLOWS PATIENTS TO SEE AN ONCOLOGIST, SURGEON, RADIATION ONCOLOGIST, COUNSELOR, NUTRITIONIST AND OTHER MEMBERS OF THE CARE TEAM ALL IN ONE VISIT.</p> <p>NHI HAS ESTABLISHED A NO SMOKING POLICY ON ALL CAMPUSES TO ELIMINATE EXPOSURE TO TOBACCO SMOKE FOR OUR PATIENTS AND FAMILIES. NHI HAS MULTIPLE PULMONOLOGISTS ON STAFF AND OFFERS A BROAD RANGE OF ACUTE CARE SERVICES AS WELL AS RESPIRATORY THERAPY AT ALL NHI AND AMBULATORY FACILITIES.</p> <p>MENTAL HEALTH</p> <p>NHI IMPLEMENTED THE COLUMBIA-SUICIDE SEVERITY RATING SCALE IN APRIL 2019. THIS IS A QUESTIONNAIRE WHICH IS USED TO ASSESS SUICIDE RISKS FOR PATIENTS AT ALL ACCESS POINTS, INCLUDING THE EMERGENCY ROOM AND AMBULATORY SETTING. THE TOOL IS USED TO ASSESS PATIENT RISK AND ENSURE REFERRAL TO APPROPRIATE RESOURCES FOR TREATMENT. FROM 2019 TO 2020 THE NUMBER OF SUICIDE SCREENINGS COMPLETED AT NORTON HEALTHCARE INCREASED BY 40%.</p> <p>HEALTH EDUCATORS FROM NORTON CHILDREN'S PREVENTION & WELLNESS TEAM PARTNER WITH LOCAL MIDDLE/HIGH SCHOOLS TO OFFER PEER-TO-PEER EDUCATION AND AWARENESS ABOUT MENTAL HEALTH CONCERNS. WORKSHOPS ARE OFFERED IN SCHOOL HEALTH AND PHYSICAL EDUCATION CLASSROOMS, AT</p>

Return Reference - Identifier	Explanation
	<p>AFTER-SCHOOL EVENTS AND SUMMER PROGRAMS. WORKSHOPS PROVIDE PEER EDUCATION TO SUPPORT YOUNG PEOPLE IN DEVELOPING POSITIVE GROUP NORMS AND MAKING HEALTHY DECISIONS. THIS SERIES TEACHES STUDENTS HOW TO REDUCE STRESS AND EMPOWERS STUDENTS TO BECOME VOICES IN THEIR SCHOOLS AND TO ENCOURAGE HEALTHY BEHAVIORS AND DECISION-MAKING.</p> <p>FREE CLASSES ARE HELD ONLINE AS PART OF A SERIES CALLED LET'S TALK THAT IS A PARENT TEEN LED DISCUSSION LED BY A NORTON HEALTHCARE SPECIALIST. CURRENTLY CLASSES OFFERED INCLUDE A CLASS LED BY A PEDIATRIC UROLOGIST AND GYNECOLOGIST TO DISCUSS PUBERTY. THERE IS ALSO CLASSES LED BY A CHILD PSYCHOLOGIST FOR PARENTS AND THEIR PRETEENS AND TEENS TO LEARN ABOUT MENTAL HEALTH, GET TOOLS TO RELIEVE STRESS AND HEAR ABOUT AVAILABLE RESOURCES.</p> <p>NORTON CHILDREN'S HOSPITAL OFFERS INPATIENT PSYCHIATRIC CARE FOR CHILDREN AGES 2 TO 17 THROUGH THE ACKERLY CHILD PSYCHIATRIC UNIT. THEIR MISSION IS TO HELP CHILDREN AND FAMILIES REACH THEIR FULLEST POTENTIAL IN A NURTURING AND SAFE ENVIRONMENT. THEY ARE EQUIPPED TO SERVE PATIENTS WITH DEVELOPMENTAL DISABILITIES AND AUTISM, AND EXTEND CARE REGARDLESS OF A FAMILY'S BACKGROUND OR ABILITY TO PAY. IN THE AMBULATORY SETTING, NORTON CHILDREN'S MEDICAL GROUP PSYCHIATRY & PSYCHOLOGY OFFERS CHILD AND ADOLESCENT PSYCHIATRY SERVICES.</p> <p>IN 2019, NHI ESTABLISHED THE NORTON BEHAVIORAL HEALTH PRACTICE, WITH THE GOAL OF PROVIDING CLINICALLY INTEGRATED FAMILY AND PATIENT-CENTERED MENTAL HEALTH CARE. THE PRACTICE OFFERS TELEMEDICINE VISITS IN PRIMARY CARE LOCATIONS TO IMPROVE ACCESS AND HELP OVERCOME THE STIGMA OFTEN ASSOCIATED WITH MENTAL HEALTH FACILITIES. THE PRACTICE CARED FOR ALMOST 6,500 PATIENTS IN 2020 WHICH IS AN INCREASE OF OVER 300% FROM THE 2019.</p> <p>NORTON WOMEN'S MENTAL HEALTH SERVICES PROVIDES OUTPATIENT WOMEN'S MENTAL HEALTH SERVICES ON THE NORTON - ST. MATTHEWS CAMPUS. THEY ARE COMMITTED TO PROVIDING QUALITY MENTAL HEALTH CARE TO WOMEN ACROSS THEIR LIFESPAN.</p> <p>CARE COORDINATION</p> <p>NHI, IN PARTNERSHIP WITH THE UNITED WAY, IS PARTICIPATING IN THE UNITED COMMUNITY INITIATIVE. UNITED COMMUNITY SEEKS TO LINK HEALTH CARE SERVICES AND SOCIAL SERVICES VIA A DATABASE PLATFORM CALLED UNITE US. NHI CAN REFER PATIENTS WITH SOCIOECONOMIC NEEDS TO APPROPRIATE RESOURCES USING THIS DATABASE PLATFORM. THE DATABASE IS INTEGRATED INTO THE PATIENT'S ELECTRONIC MEDICAL RECORD SO THAT PROVIDERS CAN SEE PATIENT REFERRALS TO SOCIAL SERVICES AS WELL AS THE OUTCOME OF THOSE REFERRALS.</p> <p>NHI HAS ESTABLISHED A SOCIAL SERVICES ASSESSMENT TOOL TO STREAMLINE THE SCREENING AND DOCUMENTATION OF SOCIAL NEEDS FOR PATIENTS. THE ASSESSMENT IS INTEGRATED IN THE ELECTRONIC MEDICAL RECORD AND UTILIZED BY SOCIAL WORKERS TO IDENTIFY AND DOCUMENT SOCIAL NEEDS AND TO REFER PATIENTS TO APPROPRIATE SOCIAL SERVICES RESOURCES USING THE UNITE US DATABASE PLATFORM.</p> <p>IN 2019, NHI LAUNCHED THE NORTON BABY APP TO STREAMLINE CARE FOR OBSTETRICS PATIENTS FROM PREGNANCY PLANNING, TO EXPECTING A NEW BABY, TO THE NEW PARENT STAGE. THE APP IS A ONE-STOP-SHOP FOR EXPECTANT MOTHERS AND PROVIDES HEALTH METRICS MONITORING, APPOINTMENT TRACKING, CHECKLISTS, HEALTH TIPS, AND MORE. IN 2020, 1,238 PATIENTS UTILIZED THE APP.</p> <p>NORTON WOMEN'S CARE LAUNCHED A NEW DOULA PROGRAM THAT AIMS TO IMPROVE THE LONG-TERM HEALTH OF NEW MOTHERS IN 2021. THIS NEW PROGRAM WILL INCLUDE SEVERAL HOME VISITS THROUGHOUT THE PATIENT'S PREGNANCY AND THE PERIOD AFTER DELIVERY. PATIENTS MUST LIVE IN SPECIFIC UNDERSERVED NEIGHBORHOODS TO BE ELIGIBLE, AND WILL RECEIVE ADDITIONAL PRENATAL CARE THROUGH NORTON OB/GYN PRACTICES.</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA</p>	<p>FACILITY NAME: ALL HOSPITALS</p> <p>DESCRIPTION: ACCESS TO CARE</p> <p>IN 2020, NORTON HEALTHCARE CREATED THE INSTITUTE FOR HEALTH EQUITY AS ONE OF FIVE INITIATIVES TO ADDRESS INEQUALITIES WITHIN THE COMMUNITY. THE PRIMARY FOCUS OF THE INSTITUTE WILL BE TO IDENTIFY AND REMOVE OBSTACLES THAT PREVENT PEOPLE IN UNDERSERVED AREAS FROM RECEIVING THE HEALTH CARE THEY DESERVE, AS WELL AS TO ELIMINATE DISPARITIES IN CARE. NORTON IS INVESTING \$20 MILLION TOWARD THE ESTABLISHMENT OF PERMANENT FACILITIES AND EQUIPMENT LOUISVILLE'S UNDERSERVED NEIGHBORHOODS.</p> <p>IN 2019, THE LOUISVILLE URBAN LEAGUE AND NORTON HEALTHCARE ANNOUNCED NORTON'S SUPPORT OF THE WEST END MULTI-USE SPORTS AND LEARNING COMPLEX. NORTON HEALTHCARE CONTRIBUTED \$5 MILLION TO THE PROJECT THROUGH A \$3 MILLION GRANT AND AN ADDITIONAL CHALLENGE GRANT OF \$2 MILLION IN MATCHING FUNDS. THE FACILITY IS NAMED THE NORTON SPORTS HEALTH ATHLETICS & LEARNING COMPLEX AND OFFICIALLY OPENED IN FEBRUARY 2021.</p> <p>THE KEY TO ENSURING HEALTH EQUITY IS INCREASING ACCESS TO CARE IN LOUISVILLE'S UNDERSERVED AREAS. NORTON EXPANDED ACCESS IN UNDERSERVED AREAS THROUGH THE OPENING OF A NEW PRIMARY CARE PRACTICE IN THE WEST END, INCLUDING A COVID-19 TESTING AND VACCINATION CENTER AT THAT LOCATION. NORTON ALSO PURCHASED A SECOND MOBILE UNIT, MAKING IT EASIER FOR THE COMMUNITY TO ACCESS PREVENTIVE SERVICES SUCH AS MAMMOGRAMS, WELL-WOMAN EXAMS AND COLON CANCER SCREENINGS. ADDITIONAL SITE OPENINGS ARE PLANNED IN WEST AND SOUTH LOUISVILLE TO FURTHER EXPAND ACCESS TO CARE.</p> <p>NEEDS NOT ADDRESSED</p> <p>NHI'S COMMUNITY HEALTH NEEDS ASSESSMENT INCLUDED A PRIORITIZATION PROCESS TO RANK IDENTIFIED NEEDS AND ISSUES BASED ON PERCEPTION OF THE COMMUNITY, SECONDARY RESEARCH AND HOW THE ISSUES ALIGN WITH NORTON HEALTHCARE'S MISSION, VISION, VALUES AND STRATEGIC PRIORITIES. IDENTIFIED NEEDS WERE CATEGORIZED INTO FOUR CATEGORIES: HEALTH CONDITIONS, ACCESS TO CARE, BEHAVIORAL CONDITIONS AND SOCIOECONOMIC/DEMOGRAPHIC NEEDS. NHI EXECUTIVE LEADERSHIP AND THE COMMUNITY BENEFIT COMMITTEE OF THE BOARD OF TRUSTEES IDENTIFIED AREAS IN THE BEHAVIORAL AND SOCIOECONOMIC CATEGORIES WHERE NORTON CAN MOST EFFECTIVELY FOCUS ITS RESOURCES TO HAVE SIGNIFICANT IMPACT. THOSE AREAS OF FOCUS ARE: DRUG USE, OBESITY, SMOKING/TOBACCO USE, MENTAL HEALTH, POOR NUTRITION AND COORDINATED CARE ACROSS THE CONTINUUM. NEEDS THAT WERE IDENTIFIED BUT ARE CURRENTLY NOT AN AREA OF FOCUS FOR NHI ARE HOME SAFETY CONCERNS, CRIME/SAFETY, POOR OR LACK OF DENTAL CARE, AND POVERTY LEVELS. THESE FALL OUTSIDE OF THE CURRENT CORE COMPETENCIES OF THE ORGANIZATION AND THEREFORE ARE NOT ADDRESSED DIRECTLY IN OUR COMMUNITY HEALTH NEEDS IMPLEMENTATION STRATEGIES. NHI HAS A DESIRE TO CONTINUE PROVIDING CLINICAL PROGRAMS AND SERVICES TO MEET COMMUNITY NEEDS WHILE ALSO PURSUING CONTINUOUS IMPROVEMENT IN EXISTING AND FUTURE PROGRAMS TO IMPROVE THE OVERALL HEALTH OF THE COMMUNITY WE SERVE.</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 13H - OTHER ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE</p>	<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>
<p>SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE</p>	<p>WWW.NORTONHEALTHCARE.COM/FAP</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE</p>	<p>WWW.NORTONHEALTHCARE.COM/FAP</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE</p>	<p>WWW.NORTONHEALTHCARE.COM/FAP</p>
<p>SCHEDULE H, PART V, SECTION B, LINE 16J - OTHER WAYS HOSPITAL PUBLICIZED FINANCIAL ASSISTANCE POLICY</p>	<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? 0

Name and address	Type of Facility (describe)
1	
2	
3	
4	
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 HOSPITALS, 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 6A - NAME OF RELATED ORGANIZATION THAT PREPARED COMMUNITY BENEFIT REPORT	NORTON HEALTHCARE, INC.
SCHEDULE H, PART I, LINE 6B - COMMUNITY BENEFIT REPORT	THE ANNUAL COMMUNITY BENEFIT INITIATIVE REPORT IS FOR ALL FIVE HOSPITALS IN NORTON HOSPITALS, INC. (NHI) AND IS CONTAINED IN THE REPORT PREPARED BY NHI' PARENT CORPORATION, NORTON HEALTHCARE, INC.
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	THE COSTING METHODOLOGY USED TO CALCULATE THE COMMUNITY BENEFIT EXPENSES WAS TO CALCULATE THE COST BY HOSPITAL LOCATION (FIVE SEPARATE LOCATIONS UNDER ONE MEDICARE PROVIDER NUMBER). THE COST WAS DETERMINED BASED ON A SPECIFIC LOCATION COST TO CHARGE RATIO. THE COST USED IN THE CALCULATOR WAS REDUCED BY PROVIDER TAXES, GRADUATE MEDICAL EDUCATION EXPENSES, AND OTHER COSTS. THE ADJUSTED COST TO CHARGE RATIO WAS THEN MULTIPLIED TIMES THE GROSS CHARGES FOR QUALIFIED FINANCIAL ASSISTANCE CHARGES, MEDICAID, AND THE STATE DISPROPORTIONATE PROGRAM (OTHER MEANS TESTED GOVERNMENT PROGRAM) TO OBTAIN THE SPECIFIC COMMUNITY BENEFIT EXPENSE.
SCHEDULE H, PART I, LINE 7F - 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 II - DESCRIBE HOW COMMUNITY BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY	NORTON HOSPITALS INC.'S (NHI) SUPPORTED OVER 250 COMMUNITY ORGANIZATIONS WITH LEADERSHIP SUPPORT WHICH INCLUDED OVER 55,000 HOURS AND OVER \$600,000 IN SALARIES. NHI REPRESENTATIVES SERVED ON A VARIETY OF NONPROFITS AND GOVERNMENT AGENCIES THAT HELPED IMPROVE ACCESS TO HEALTH SERVICES, ENHANCED THE HEALTH OF THE COMMUNITY, ADVANCED MEDICAL AND HEALTH CARE KNOWLEDGE, AND RELIEVED OR REDUCED THE BURDEN OF GOVERNMENT OR COMMUNITY EFFORT. NHI'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. OUR COMMUNITY BENEFIT INITIATIVE ALIGNS WITH OUR MISSION TO PROMOTE THE HEALTH OF THE COMMUNITY THROUGH SERVICE ON LOCAL BOARDS, ADVISORY COUNCILS AND VOLUNTEERING. NHI EMPLOYEES REPRESENT NHI ON MANY COMMUNITY BOARD POSITIONS THAT HELP TO ENHANCE THE COMMUNITY INCLUDING THE AMERICAN RED CROSS, GREATER LOUISVILLE INC. BOARD, KENTUCKY NURSES ASSOCIATION, HABITAT FOR HUMANITY, METRO UNITED WAY, THE AMERICAN HEART ASSOCIATION, THE RONALD MCDONALD HOUSE, AND MANY MORE. NHI HAS A RICH CULTURAL HISTORY OF PROVIDING COMMUNITY SUPPORT AND NHI EMPLOYEES ARE PASSIONATE ABOUT SERVING OTHERS AND PROMOTING THE HEALTH OF OUR COMMUNITY.
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 REVENUE.
SCHEDULE H, PART III, LINE 3 - BAD DEBT EXPENSE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY	FOR FINANCIAL STATEMENT PURPOSES, NORTON HEALTHCARE HAS ADOPTED ACCOUNTING STANDARDS UPDATE NO. 2014-09 (TOPIC 606). IMPLICIT PRICE CONCESSIONS INCLUDES BAD DEBTS. THEREFORE, BAD DEBTS ARE INCLUDED IN NET PATIENT REVENUE IN ACCORDANCE WITH HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT NO. 15 AND BAD DEBT EXPENSE IS NOT SEPARATELY REPORTED AS AN EXPENSE. THE AMOUNT REPORTED ON PART III, LINE 3 IS THE ESTIMATED COST OF BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER NORTON HOSPITAL'S FINANCIAL ASSISTANCE POLICY ON A GROSS BASIS.

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY</p>	<p>THE METHOD USED TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER OUR FINANCIAL ASSISTANCE POLICY IS BASED ON OUR OUTSIDE ELIGIBILITY VENDOR'S EXPERIENCE WITH QUALIFYING ACCOUNTS AS FINANCIAL ASSISTANCE.</p> <p>MEDASSIST FIRSTSOURCE, OUR OUTSIDE VENDOR, SCREENS ALL SELF-PAY ACCOUNTS AND BASED ON AN INITIAL SCREENING, WILL CLASSIFY THE ACCOUNT AS PROBABLE FINANCIAL ASSISTANCE. IF THE ACCOUNTS APPEAR TO MEET NORTON HOSPITALS, INC.'S (NHI) FINANCIAL ASSISTANCE PROGRAM GUIDELINES, THESE ACCOUNTS ARE THEN REQUIRED TO SUBMIT THE NECESSARY DOCUMENTATION TO ULTIMATELY BE CLASSIFIED AS A FINANCIAL ASSISTANCE ACCOUNT. BASED ON ALL ACCOUNTS THAT ARE CLASSIFIED AS PROBABLE FINANCIAL ASSISTANCE BY MEDASSIST FIRSTSOURCE AND THEIR EXPERIENCE WITH GETTING ACCOUNTS QUALIFIED AS FINANCIAL ASSISTANCE, IT IS ESTIMATED THAT 55% OF THOSE ACCOUNTS CLASSIFIED AS PROBABLE FINANCIAL ASSISTANCE AND WHICH DO NOT SUBMIT THE REQUIRED DOCUMENTATION WOULD QUALIFY AS A NHI FINANCIAL ASSISTANCE ACCOUNT. THE ESTIMATED COST OF ACCOUNTS THAT ARE ESTIMATED TO QUALIFY FOR OUR FINANCIAL ASSISTANCE PROGRAMS IS CALCULATED BASED ON GROSS CHARGES FOR ACCOUNTS FOR THE YEAR THAT ARE PROBABLE BUT DO NOT SUBMIT THE NECESSARY DOCUMENTATION MULTIPLIED TIMES OUR COST TO CHARGE RATIO TIMES THE 55% ESTIMATED CONVERSION FACTOR.</p>
<p>SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT</p>	<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. ADJUSTMENTS ARISING FROM A CHANGE IN THE TRANSACTION PRICE WERE NOT SIGNIFICANT IN 2020 AND 2019."</p>
<p>SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED</p>	<p>THE 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 MEDICARE COST REPORT.</p> <p>NORTON HOSPITALS, INC. (NHI) ACCEPTS ALL MEDICARE PATIENTS WITH THE KNOWLEDGE THAT THERE MAY BE SHORTFALLS AND OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY. NHI BELIEVES THAT ANY MEDICARE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT BECAUSE MEDICARE DOES NOT TYPICALLY FULLY COMPENSATE NHI FOR THE COST OF PROVIDING HOSPITAL CARE TO MEDICARE BENEFICIARIES.</p>
<p>SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE</p>	<p>AFTER THE PATIENT'S INITIAL SCREENING FOR FINANCIAL ASSISTANCE, IF IT IS BELIEVED THAT THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE; NORTON HOSPITALS 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 WILL 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, DISPROPORTIONATE SHARE HOSPITAL, 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>
<p>SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT</p>	<p>NEEDS ASSESSMENT</p> <p>NORTON HOSPITALS, INC (NHI) REGULARLY AND CONSISTENTLY EVALUATES WORKFORCE AND COMMUNITY HEALTH CARE NEEDS THROUGH PARTNERSHIPS WITH LOCAL HEALTH DEPARTMENTS, EMERGENCY MEDICAL SERVICES, LOCAL AND STATE UNIVERSITIES, AND KENTUCKIANA WORKS, THE WORKFORCE INVESTMENT BOARD FOR THE SEVEN COUNTY REGION SURROUNDING LOUISVILLE. PARTNERSHIPS WITH THESE ORGANIZATIONS, ALONG WITH NOT-FOR-PROFIT HEALTH CARE ORGANIZATIONS SUCH AS THE AMERICAN CANCER SOCIETY, AMERICAN HEART ASSOCIATION AND OTHERS, ALSO PROVIDE NHI IMPORTANT STATISTICS AND DATA TO USE IN EVALUATING COMMUNITY ACCESS TO HEALTH CARE SERVICES AND HEALTH CARE DISPARITIES. ADDITIONALLY, NHI ACCESSES DATA FROM ORGANIZATIONS SUCH AS THE CENTER FOR DISEASE CONTROL AND THE UNITED STATES CENSUS BUREAU TO ASSESS AREAS OF GREATEST ANTICIPATED POPULATION GROWTH AND LOW-INCOME AREAS, BOTH OF WHICH MAY BE IN GREATEST NEED FOR PREVENTION EDUCATION, FREE SCREENINGS AND ACCESS TO HEALTH CARE.</p> <p>NORTON HEALTHCARE, INC. (NHC), THE PARENT COMPANY OF NHI, CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) FOR ALL FIVE HOSPITALS. 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 WAS PROVIDED THROUGH PROVIDER AND COMMUNITY INTERVIEWS, TARGETED FOCUS GROUPS AND A COMMUNITY HEALTH SURVEY IN PARTNERSHIP WITH THE LOUISVILLE METRO DEPARTMENT OF PUBLIC HEALTH AND WELLNESS. HEALTH NEEDS WERE PRIORITIZED AND ADDRESSED BASED ON HEALTH STATUS FINDINGS AND THE COMMUNITY INPUT. THE CHNA IS A COMPONENT OF THE ORGANIZATIONS STRATEGIC PLANNING PROCESS AS RESOURCES ARE NECESSARY TO IMPLEMENT STRATEGIES OUTLINED FOR PRIORITIES IDENTIFIED. THE NHC BOARD OF TRUSTEES AS WELL AS THE LEADERSHIP OF NHC AND HOSPITAL CHIEF ADMINISTRATIVE OFFICERS HAVE APPROVED THE ASSESSMENT AND IMPLEMENTATION PLAN</p>

Return Reference - Identifier	Explanation
<p>SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION</p>	<p>SIGNAGE IS POSTED IN ALL NORTON HEALTHCARE, INC. (NHC) 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. THE PATIENT MAY ALSO BE REFERRED TO THE NHC ELIGIBILITY VENDOR FOR ASSISTANCE AT NO COST TO THE PATIENT/GUARANTOR. ADDITIONAL QUESTIONS FROM THE PATIENT/GUARANTOR CAN BE FACILITATED THROUGH THE NHC SINGLE BILLING OFFICE (SBO) AREA, CUSTOMER SERVICE, AND NHC VENDORS. 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. IN 2020 STATEMENTS MAILED TO THE GUARANTORS BY NORTON HOSPITALS, INC. (NHI) CONTAINED INFORMATION TO START THE FINANCIAL ASSISTANCE APPLICATION PROCESS.</p> <p>NHI EMPLOYS AN OUTSIDE ELIGIBILITY VENDOR, MEDASSIST FIRSTSOURCE. ALL SELF-PAY ACCOUNTS FOR THE FACILITIES ARE PLACED FOR ELIGIBILITY SCREENING WITH MEDASSIST FIRSTSOURCE. THEY SCREEN FOR NHC FINANCIAL ASSISTANCE, MEDICAID, MEDICAID MANAGED CARE ORGANIZATIONS, PRESUMPTIVE ELIGIBILITY, AND DISPROPORTIONATE SHARE HOSPITAL/KENTUCKY CHILDREN'S HEALTH INSURANCE PROGRAM (DSH/KCHIP). 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 MEDASSIST FIRSTSOURCE. THEY PROTECT FILING DEADLINES BY SUBMITTING THE APPROPRIATE FORMS TO THE STATE/COUNTY. THEY FOLLOW UP TO SECURE PROOF OF INCOME DOCUMENTS FOR NORTON FINANCIAL ASSISTANCE AND FOLLOW UP WITH A STATE CASEWORKER AS NEEDED. MEDASSIST FIRSTSOURCE ALSO MAKES OUTSIDE FIELD CALLS OR HOME VISITS TO THE PATIENTS TO SECURE THE NEEDED INFORMATION FOR ELIGIBILITY ASSISTANCE IF THE PATIENT IS HOMEBOUND. ADDITIONALLY, MEDASSIST FIRSTSOURCE MAY PROVIDE ASSISTANCE WITH PATIENT TRANSPORTATION NEEDS SO THAT THE PATIENT CAN MAKE THEIR SCHEDULED APPOINTMENTS WITH THEIR CASEWORKER. ALL OF THE SERVICES PROVIDED BY MEDASSIST FIRSTSOURCE ELIGIBILITY ARE AT NO COST TO THE PATIENT. COST TO THE HOSPITALS FOR THESE ELIGIBILITY AND ENROLLMENT SERVICES WAS IN EXCESS OF \$6,600,000 IN 2020.</p> <p>NHI HAS A STAFF OF OVER 11 FULL-TIME EMPLOYEES INCLUDING A SUPERVISOR THAT ARE DEDICATED TO PERFORMING THE FOLLOWING FUNCTIONS: PROCESSING, REVIEWING, AND APPROVING THE HUNDREDS OF FINANCIAL ASSISTANCE APPLICATIONS RECEIVED EACH WEEK. 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 NORTON 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 NORTON FINANCIAL ASSISTANCE, DSH/KCHIP, MEDICAID, MEDICAID MANAGED CARE ORGANIZATION, PRESUMPTIVE ELIGIBILITY, ETC.</p> <p>AS THE FOUNDATION OFFICE RECEIVES INQUIRIES DIRECTED TO THEIR OFFICES, THEY REFER THESE INDIVIDUALS TO PATIENT FINANCIAL SERVICES (PFS) TO SCREEN FOR POSSIBLE NORTON FINANCIAL ASSISTANCE OR THE NORTON CHILDREN'S HOSPITAL FOUNDATION, INC. (NCHF) FUNDING.</p> <p>IF A CHILD'S ACCOUNT DOES NOT QUALIFY FOR NORTON FINANCIAL ASSISTANCE, THEN THOSE NOT QUALIFYING FOR CHILDREN'S APPLICATIONS ARE REFERRED TO MANAGEMENT OF PFS FOR CONSIDERATION FOR SPECIAL FUNDING THROUGH NCHF AS WELL AS OTHER PROGRAMS.</p> <p>THE CHARITY APPLICATION WAS PROVIDED ON THE BACK OF THE SBO STATEMENT. NHI 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, THEN ALLOWED THE PATIENT/GUARANTOR TO APPLY AND 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. PRIMARY COLLECTION AGENCIES CHOSEN BY NHI 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>NHI HAS TRANSLATED THE FULL FINANCIAL ASSISTANCE POLICY, FINANCIAL ASSISTANCE APPLICATIONS, AND THE PLAIN LANGUAGE SUMMARY INTO FOUR LANGUAGES: SPANISH, VIETNAMESE, CROATIAN, AND ARABIC.</p> <p>NHI'S CUSTOMER SERVICE DEPARTMENT ROUTINELY INSTRUCTS AND SCREENS PATIENTS IN THE PROTOCOL REGARDING FINANCIAL ASSISTANCE THROUGH THE NORTON FINANCIAL ASSISTANCE PROGRAM.</p> <p>SINCE 2007, NHI 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</p>

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	<p>STATEMENTS AND THE AMOUNT DUE.</p> <p>CONTRACTED COLLECTION AGENCIES ARE REQUIRED TO SOLICIT FINANCIAL ASSISTANCE APPLICATIONS WHEN THE PATIENT/GUARANTOR INDICATES "CANNOT PAY".</p> <p>THE STATEMENT PROVIDED BY NHI IN 2020 INCLUDED THE LINK TO THE NHC WEBSITE TO ALLOW THE PATIENT/GUARANTOR TO LEARN MORE ABOUT FINANCIAL ASSISTANCE. THE STATEMENT CONTAINED THE FINANCIAL ASSISTANCE APPLICATION ON THE BACK OF THE STATEMENT SO THE GUARANTOR COULD APPLY USING THE ACTUAL NHI STATEMENT AND COULD THEN MAIL, FAX, BRING THE APPLICATION DIRECTLY TO THE FACILITIES, OR EMAIL THE FORM TO PFS. THE STATEMENT INCLUDED A PHONE NUMBER TO CALL TO LEARN MORE ABOUT THE APPLICATION PROCESS AND DISCUSS FINANCIAL ASSISTANCE OPTIONS.</p>
<p>SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION</p>	<p>PRIMARY SERVICE AREA</p> <p>NORTON HOSPITALS INC.'S (NHI) PRIMARY SERVICE AREA POPULATION IS OVER 1.5 MILLION AND EXPECTED TO INCREASE 2% BETWEEN 2021 AND 2026. IN 2016, THE PRIMARY SERVICE AREA INCREASED FROM A 7 COUNTY AREA TO AN AREA INCLUSIVE OF 16 COUNTIES, 5 OF WHICH ARE LOCATED ALONG THE OHIO RIVER BORDER IN KENTUCKY, 4 BORDER THE RIVER IN INDIANA, AND INCLUDES 5 ADDITIONAL KENTUCKY COUNTIES AND 2 ADDITIONAL INDIANA COUNTIES THAT DO NOT BORDER THE OHIO RIVER. 94% OF NHI'S PATIENTS ARE DERIVED FROM THIS SERVICE AREA. APPROXIMATELY 30% OF THE POPULATION IS OVER 55 YEARS OLD; COMPARED TO 29% IN THE USA. THIS PORTION OF THE POPULATION TENDS TO USE ADDITIONAL HEALTHCARE SERVICES. THE PEDIATRIC POPULATION IN 2021 WAS ESTIMATED AT 340,722 AND IS EXPECTED TO INCREASE TO 339,920 WITHIN 5 YEARS AND REPRESENTS 22% OF THE POPULATION. THE NUMBER OF HOUSEHOLDS IN THE PRIMARY SERVICE AREA WAS ESTIMATED AT 612,307 IN 2021 AND IS EXPECTED TO INCREASE 2.2% BY 2026. CURRENTLY 10% OF THE ADULT POPULATION DOES NOT HAVE A HIGH SCHOOL DEGREE AND 18.3% OF THE HOUSEHOLD INCOME IS LESS THAN \$25,000 A YEAR; THE MEDIAN HOUSEHOLD INCOME IS \$66,313 COMPARED TO \$68,703 FOR THE UNITED STATES. NHI TREATS 43% OF THE ADULT INPATIENT CASES IN THE COMMUNITY AND ITS PAYOR MIX IS 50% MEDICARE, 26% MEDICAID/PASSPORT AND 2% SELF PAY. THE LARGEST COUNTY IN THE SERVICE AREA IS JEFFERSON COUNTY AND ITS MAY 2021 PRELIMINARY NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATE WAS 3.8% COMPARED TO 4.4% FOR KENTUCKY AND 5.5% FOR THE UNITED STATES.</p> <p>NORTON'S PRIMARY SERVICE AREA HAS ADEQUATE ACCESS TO HOSPITAL CARE, WITH OVER 3,400 INPATIENT SHORT-TERM ACUTE CARE BEDS IN JEFFERSON COUNTY ALONE, 1,861 (54%) OF WHICH ARE PART OF THE NORTON HEALTHCARE SYSTEM. REVIEW OF OCCUPANCY RATES FOR EACH HOSPITAL INDICATES THAT THE INPATIENT NEED IS CURRENTLY BEING MET. THROUGH A CERTIFICATE OF NEED (CON) PROCESS, KENTUCKY HAS A STATE HEALTH PLAN THAT REGULATES HEALTH SERVICES PROVIDED. THE CON PROCESS ESTABLISHES CRITERIA BASED ON COMMUNITY NEED IN AN ATTEMPT TO ENSURE THAT UNNECESSARY DUPLICATION OF SERVICES DOES NOT OCCUR.</p> <p>IN JEFFERSON COUNTY 14.2% OF THE COMMUNITY IS BELOW THE FEDERAL POVERTY GUIDELINES AS COMPARED TO 16% OF THE POPULATION BELOW THE FEDERAL POVERTY IN KENTUCKY. POVERTY IS A KEY DRIVER OF HEALTH STATUS AND CREATES BARRIERS TO ACCESS, INCLUDING HEALTH SERVICES, HEALTHY FOOD CHOICES AND OTHER FACTORS THAT CONTRIBUTE TO POOR HEALTH. CERTAIN SEGMENTS OF THE COMMUNITIES SERVED BY NORTON HAVE EXTREME POVERTY. THE CENTRAL AND WEST SEGMENTS OF JEFFERSON COUNTY HAVE POVERTY RATES TWICE THAT OF THE KENTUCKY AND NATIONAL RATES.</p> <p>FOUR AREAS WITHIN JEFFERSON COUNTY HAVE 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. THE TABLE BELOW LISTS FEDERALLY QUALIFIED HEALTH CENTERS LOCATED IN JEFFERSON COUNTY THAT HAVE BEEN ESTABLISHED TO SERVE UNDERSERVED AREAS OR POPULATIONS.</p> <p>SECONDARY SERVICE AREA</p> <p>NHI'S SECONDARY SERVICE AREA DECREASED FROM 26 COUNTIES TO 17 COUNTIES IN 2016 AS MANY COUNTIES ARE NOW INCLUDED IN THE PRIMARY SERVICE AREA. NHI'S SECONDARY SERVICE AREA POPULATION WAS 432,542 IN 2021 AND IS EXPECTED TO INCREASE 2% BETWEEN 2021 AND 2026. THE SECONDARY SERVICE AREA SPREADS ACROSS 15 KENTUCKY COUNTIES AND 2 INDIANA COUNTIES. THE 55+ AGE COHORT REPRESENTS 30% OF THE SECONDARY SERVICE AREA POPULATION AND IS SLIGHTLY HIGHER THAN IN THE UNITED STATES. THE PEDIATRIC POPULATION IN 2021 WAS ESTIMATED AT 97,728 AND EXPECTED TO INCREASE TO 98,628 BY 2026. ALTHOUGH THE PEDIATRIC POPULATION IS EXPECTED TO REMAIN RELATIVELY FLAT (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 169,940 IN 2021 AND IS EXPECTED TO INCREASE 2.7% BY 2026. OVER 45,000 ADULTS IN THIS SERVICE AREA DO NOT HAVE A HIGH SCHOOL EDUCATION AND THE AVERAGE HOUSEHOLD INCOME IS UNDER \$25,000 FOR 25.8% OF THE POPULATION. THE MEDIAN HOUSEHOLD INCOME IS \$50,208, 4% LESS THAN KENTUCKY AND 24% LESS THAN THE PRIMARY SERVICE AREA AVERAGE HOUSEHOLD INCOME.</p>

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<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>NORTON HEALTHCARE INC. IS A NOT-FOR-PROFIT CORPORATION BASED IN LOUISVILLE, KENTUCKY, IN 2020, NORTON HEALTHCARE, THROUGH ITS AFFILIATE, NORTON HOSPITALS INC., HAD A TOTAL OF 1,907 LICENSED BEDS: NORTON AUDUBON HOSPITAL - 432 BEDS; NORTON BROWNSBORO HOSPITAL - 197 BEDS; NORTON CHILDREN'S HOSPITAL - 300 BEDS; NORTON HOSPITAL - 605 BEDS; AND NORTON WOMEN'S & CHILDREN'S HOSPITAL - 373 BEDS. THESE FIVE HOSPITALS OPERATE 24 HOURS A DAY, SEVEN DAYS A WEEK.</p> <p>IN 2020, NORTON HEALTHCARE, THROUGH ITS AFFILIATE, COMMUNITY MEDICAL ASSOCIATES INC., HAD APPROXIMATELY 2.5 MILLION PATIENT ENCOUNTERS. NORTON HEALTHCARE'S HOSPITALS, DIAGNOSTIC CENTERS AND NORTON CANCER INSTITUTE SERVED 67,225 INPATIENTS AND 543,384 OUTPATIENTS, AND SAW 205,571 EMERGENCY ROOM VISITS. IN ADDITION, NORTON HEALTHCARE HOSPITALS' OPERATING ROOMS CARED FOR 17,440 INPATIENT SURGICAL PATIENTS AND 34,160 OUTPATIENT SURGICAL PATIENTS. ADDITIONALLY, 7,986 BABIES WERE DELIVERED AT NORTON HEALTHCARE BIRTHING FACILITIES.</p> <p>AS PART OF OUR COMMITMENT TO IMPROVING THE HEALTH OF OUR COMMUNITY, NORTON HEALTHCARE PROVIDES FUNDING FOR A WIDE ARRAY OF LIFESAVING AND LIFE-ENHANCING SERVICES THAT BENEFIT THE COMMUNITIES WE SERVE. IN 2020, UNDER ITS CHARITY CARE PROGRAM, NORTON HEALTHCARE PROVIDED FREE CARE TO 8,497 PATIENTS, AT A COST OF \$12.8 MILLION. ALSO, NORTON HEALTHCARE GRANTS A DISCOUNT FROM BILLED CHARGES TO ANY PATIENTS WHO HAVE NO ACCESS TO PRIVATE HEALTH INSURANCE OR DO NOT QUALIFY FOR GOVERNMENT ASSISTANCE OR CHARITY CARE. UNDER THIS PROGRAM, 9,796 PATIENTS WERE PROVIDED CARE AT DISCOUNTED RATES. OTHER CONTRIBUTIONS TO THE COMMUNITY WERE THE UNPAID COST OF MEDICAID SERVICES OF \$51.5 MILLION AND EDUCATIONAL SUPPORT OF \$75.0 MILLION, PRIMARILY TO THE UNIVERSITY OF LOUISVILLE (UOFL) SCHOOL OF MEDICINE. COMMUNITY HEALTH IMPROVEMENT SERVICES TOTALED \$15.6 MILLION AND CONTRIBUTIONS TO COMMUNITY GROUPS WERE \$1.6 MILLION.</p> <p>NORTON HEALTHCARE EMPLOYEES DONATED 55,000 HOURS OF COMMUNITY SERVICE, A BENEFIT VALUED AT MORE THAN \$600,000. IN ADDITION, MANY EMPLOYEES SELF-REPORTED PERSONAL VOLUNTEER ACTIVITIES.</p> <p>NORTON HEALTHCARE PROVIDES PROGRAMMATIC SUPPORT TO THE UOFL SCHOOL OF MEDICINE THROUGH FUNDING AND FACILITIES. DURING THE 2020 CALENDAR YEAR, 198 RESIDENTS COMPLETED CLINICAL ROTATIONS IN 43 SPECIALTIES AT NORTON HEALTHCARE FACILITIES. RESIDENCY PROGRAMS ARE PART OF THE \$75.0 MILLION IN EDUCATIONAL SUPPORT AND CLINICAL FUNDING PROVIDED TO THE MEDICAL SCHOOL.</p> <p>NORTON HEALTHCARE'S BOARD OF TRUSTEES INCLUDES REPRESENTATIVES FROM THE COMMUNITY AND LARGEST EMPLOYERS IN THE REGION THAT LIVE AND WORK IN THE NHI'S PRIMARY SERVICE AREA. MEMBERS ARE NEITHER EMPLOYEES OF NOR INDEPENDENT CONTRACTORS WITH THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF.</p> <p>COMMUNITY IMPROVEMENT FUNDING</p> <p>NORTON HEALTHCARE INVESTS IN THE COMMUNITY TO IMPROVE THE QUALITY OF PATIENT CARE, FACILITIES AND EQUIPMENT.</p> <p>*IN 2020 THE EXPANSION OF NORTON BROWNSBORO HOSPITAL WAS COMPLETED, WITH 70 NEW PATIENT BEDS - A 55% INCREASE - ADVANCEMENTS IN STROKE AND ANEURYSM CARE CAPABILITIES AND A LARGER EMERGENCY DEPARTMENT. THE NEW EMERGENCY DEPARTMENT HAS 42 PATIENT CARE AREAS, INCLUDING TWO TRIAGE ROOMS, 33 EXAM ROOMS AND A DEDICATED SPACE FOR PERFORMING RAPID ELECTROCARDIOGRAMS (EKGS). SIX FAST-TRACK BAYS ARE A FRESH INNOVATION DESIGNED FOR TREATING MINOR CONDITIONS, FREEING EXAM ROOMS FOR PATIENTS WITH MORE SERIOUS CONDITIONS. THE EXPANSION BUILDS ON THE FACILITY'S NEUROSCIENCES SERVICES WITH THE ADDITION OF EPILEPSY MONITORING UNITS (EMUS). THE EXPANSION ALSO INCLUDES TWO NEW NEUROSURGICAL OPERATING ROOMS. THESE NEW OPERATING ROOMS ARE EQUIPPED WITH STATE-OF-THE-ART BIPLANE ANGIOGRAPHY MACHINES FOR NEUROLOGICAL EMERGENCIES SUCH AS A STROKE OR AN ANEURYSM. A BIGGER AND MORE PROMINENT AMBULANCE BAY WILL ALLOW FOR EASIER ACCESS TO THE EMERGENCY DEPARTMENT. A NEW PARKING STRUCTURE HELPS ACCOMMODATE THE HOSPITAL'S LARGER CAPACITY.</p> <p>*IN MARCH 2021, NORTON CHILDREN'S HOSPITAL PEDIATRIC INTENSIVE CARE UNIT (PICU), COMPLETED A \$78 MILLION EXPANSION AND RENOVATION PROJECT TO IMPROVE CRITICAL CARE SERVICES FOR CHILDREN AND EXPAND A FAMILY-CENTERED APPROACH TO TREATING THE REGION'S SICKEST KIDS.</p> <p>*IN 2021, NORTON HOSPITAL CELEBRATED THE OPENING OF MORE THAN 60 PATIENT BEDS IN THE GILES UNITS AT NORTON HEALTHCARE PAVILION. RENOVATIONS MADE AVAILABLE 36 ADDITIONAL MEDICAL/SURGICAL BEDS ON THE THIRD FLOOR AND 31 BEDS ON THE FOURTH FLOOR. THESE AREAS SERVE PATIENTS IN INTENSIVE CARE, SURGICAL AND MEDICAL ONCOLOGY, AND THE NORTON CANCER INSTITUTE HEAD AND NECK TUMOR PROGRAM.</p> <p>NORTON HEALTHCARE CONTINUES TO INVEST IN MEDICAL TRAINING, EDUCATION, AND RESEARCH PROGRAMS.</p> <p>*NORTON HEALTHCARE WAS THE FIRST IN THE WORLD TO ENROLL COVID-19 PATIENTS IN TWO NEW CLINICAL TRIALS AFTER BECOMING THE FIRST TO PARTICIPATE IN A RANDOMIZED PHASE 2 CLINICAL STUDY IN 2020 USING LOW-DOSE SELINEXOR, A CANCER DRUG, FOR TREATING COVID-19. NORTON HEALTHCARE HAS BEEN AN INTERNATIONAL LEADER IN THE FIGHT AGAINST THE CORONAVIRUS, WHICH CAUSES COVID-19. THE ESTABLISHED HISTORY OF SCIENTIFIC EXCELLENCE HAS ALLOWED NORTON HEALTHCARE PHYSICIAN SCIENTISTS TO BRING IMPORTANT NEW TREATMENTS AND DIAGNOSTIC TOOLS TO THE REGION. RESEARCHERS WITH EXPERTISE IN EXPERIMENTAL THERAPEUTICS AND DRUG DEVELOPMENT HAVE WORKED WITH INDUSTRY LEADERS TO ENSURE PATIENTS HAVE ACCESS TO THE LATEST DISCOVERIES TO BATTLE COVID-19.</p> <p>*NORTON HEALTHCARE'S CLINICAL TRIALS PROGRAM IS ONE OF THE MOST ROBUST PROGRAMS IN THE REGION AND HAS BEEN INSTRUMENTAL IN THE DEVELOPMENT OF MANY DRUGS AND MEDICAL DEVICES IN A VARIETY OF AREAS.</p> <p>*NORTON HEALTHCARE OFFERS MANY MEDICAL TRAINING AND EDUCATION OPPORTUNITIES THROUGH A VARIETY OF DIFFERENT PROGRAMS TO REACH THE COMMUNITY. NORTON HEALTHCARE'S RESPIRATORY</p>

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	<p>THERAPY APPRENTICESHIP PROGRAM, STUDENT NURSE APPRENTICESHIP PROGRAM (SNAP), AND A SURGICAL TECHNOLOGIST PROGRAM ARE ALL WAYS NORTON HEALTHCARE CONTINUES TO FURTHER HEALTHCARE KNOWLEDGE IN THE COMMUNITY.</p> <p>INVESTMENT IN EXTENDING MEDICAL STAFF PRIVILEGES</p> <p>THE NORTON HEALTHCARE CENTER FOR CONTINUING MEDICAL, PROVIDER AND NURSING EDUCATION STRIVES TO PROVIDE HIGH-QUALITY CONTINUING MEDICAL EDUCATION (CME) OPPORTUNITIES FOR PHYSICIANS AND OTHER HEALTH CARE PROVIDERS. THESE ACTIVITIES ARE INTENDED TO IMPROVE COMPETENCE, PERFORMANCE AND/OR OVERALL PATIENT OUTCOMES.</p> <p>IT IS NORTON'S GOAL TO MEET NEEDS AND IMPROVE THE HEALTH STATUS OF PEOPLE IN THE COMMUNITIES NORTON HEALTHCARE SERVES. BY WORKING WITH THE COMPREHENSIVE MEDICAL STAFF AND WITH NORTON'S LONG COMMITMENT TO QUALITY, STRATEGIC PARTNERSHIPS AND AFFILIATIONS, NORTON HEALTHCARE IS DEDICATED TO SERVING AS A REGIONAL LEADER IN PROVIDING QUALITY, CERTIFIED CONTINUING EDUCATION OPPORTUNITIES. THE ACTIVITIES ARE BUILT ON A PLATFORM OF SCIENTIFICALLY SOUND, EVIDENCE-BASED MEDICINE, ENHANCING THE PROVISION OF PATIENT CARE.</p> <p>NORTON HEALTHCARE IS ACCREDITED BY THE KENTUCKY MEDICAL ASSOCIATION TO PROVIDE CONTINUING MEDICAL EDUCATION ACTIVITIES FOR PHYSICIANS. NORTON HEALTHCARE STRICTLY ADHERES TO THE ACCREDITATION COUNCIL FOR CONTINUING MEDICAL EDUCATION (ACCME) POLICIES, ACCREDITATION CRITERIA AND STANDARDS FOR COMMERCIAL SUPPORT. NORTON RECEIVED ACCREDITATION WITH COMMENDATION (THE HIGHEST LEVEL) FOR A SIX-YEAR TERM.</p> <p>PARTICIPATION IN CONTINUING MEDICAL EDUCATION HELPS PROVIDERS MEET REQUIREMENTS FOR MAINTENANCE OF LICENSURE, MAINTENANCE OF CERTIFICATION, CREDENTIALING, MEMBERSHIP IN PROFESSIONAL SOCIETIES, AND OTHER PROFESSIONAL PRIVILEGES.</p> <p>CONTRIBUTIONS TO THE COMMUNITY</p> <p>*NORTON HEALTHCARE EMPLOYEES AND PHYSICIANS GAVE NEARLY \$917,980 TO OUR 2020 - 2021 COMBINED GIVING CAMPAIGN TO HELP SUPPORT COMMUNITY ORGANIZATIONS THAT ALSO ARE COMMITTED TO IMPROVING THE HEALTH AND WELL-BEING OF COMMUNITY RESIDENTS. SUPPORTED ORGANIZATIONS INCLUDE WHAS CRUSADE FOR CHILDREN, METRO UNITED WAY, FUND FOR THE ARTS, AND OUR OWN NORTON CHILDREN'S HOSPITAL FOUNDATION AND NORTON HEALTHCARE FOUNDATION.</p> <p>*DUE TO THE COVID-19 PANDEMIC, THE NUMBER OF VOLUNTEERS IN 2020 WAS LIMITED TO 42 EMPLOYEES WHO HELPED "RAISE THE ROOF" ON NORTON HEALTHCARE'S 13TH HABITAT FOR HUMANITY HOME.</p> <p>*IN 2020, MORE THAN 1,400 NORTON HEALTHCARE EMPLOYEES DONATED TIME AND FUNDS TO PLAN, PURCHASE AND DELIVER GIFTS, FOOD AND CLOTHING FOR THE CARING TREE PROGRAM. THE PROGRAM ASSISTED 512 EMPLOYEES AND THEIR 1,168 CHILDREN AND DEPENDENTS BY PROVIDING FOR THEIR FAMILIES AT CHRISTMAS.</p> <p>* MORE THAN 31,000 POUNDS OF USABLE SURPLUS MEDICAL SUPPLIES VALUED AT MORE THAN \$456,000, AND OVER \$146,000 IN EQUIPMENT, WERE DONATED FOR USE LOCALLY AND AROUND THE WORLD. OF THE DONATED EQUIPMENT, VENTILATORS VALUED AT \$98,000 WERE RETURNED TO NORTON HEALTHCARE IN APRIL 2020 DUE TO THE COVID-19 PANDEMIC.</p>

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<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>COMMUNITY EDUCATION AND WORKFORCE DEVELOPMENT</p> <p>AS ONE OF KENTUCKY'S LARGEST HEALTH CARE SYSTEMS, NORTON HEALTHCARE HAS ESTABLISHED A CULTURE OF CONTINUAL, LIFELONG LEARNING. OPPORTUNITIES ARE AVAILABLE THROUGH OUR HUMAN RESOURCES DEPARTMENT'S WORKFORCE DEVELOPMENT TEAM AND OUR NORTON HEALTHCARE INSTITUTE FOR EDUCATION & DEVELOPMENT.</p> <p>WORKFORCE DEVELOPMENT ENCOURAGES CONTINUING EDUCATION, IMPROVES JOB PERFORMANCE AND PROVIDES FINANCIAL ASSISTANCE FOR EDUCATIONAL PROGRAMS AIMED TOWARD KEY AREAS OF WORKFORCE NEED WITHIN THE ORGANIZATION. NORTON HEALTHCARE ENCOURAGES AND SUPPORTS THE CAREER GOALS OF EMPLOYEES AND THEIR DEPENDENTS BY PROVIDING FINANCIAL ASSISTANCE AND SCHOLARSHIPS AS WELL AS OTHER ADVANCEMENT OPPORTUNITIES. ESTABLISHED IN THE EARLY 2000S, WORKFORCE DEVELOPMENT HAS ASSISTED MORE THAN 6,000 STUDENTS WITH TUITION ASSISTANCE. IN 2020, WORKFORCE DEVELOPMENT FINANCIALLY SUPPORTED MORE THAN 700 STUDENTS WITH OVER \$3.5 MILLION IN EDUCATIONAL ASSISTANCE PROGRAMS.</p> <p>*IN 2020, WORKFORCE DEVELOPMENT PROVIDED NEARLY 1,100 CAREER COACHING SESSIONS TO EMPLOYEES AND STUDENTS. EACH PROGRAM PARTICIPANT WORKED DIRECTLY WITH A CAREER MANAGEMENT COACH. COACHES OFFER SERVICES IN RESUME WRITING, CAREER AND EDUCATIONAL EXPLORATION, FINANCIAL ASSISTANCE OPPORTUNITIES AND INTERVIEWING SKILLS.</p> <p>*THE ACCELERATED NORTON HEALTHCARE SCHOLARS PROGRAM, A STUDENT LOAN PROGRAM FOR EMPLOYEES AND NONEMPLOYEES, PROVIDES EDUCATIONAL FUNDING TO STUDENTS INTERESTED IN PURSUING HEALTH CARE-RELATED DEGREES IN AREAS OF WORKFORCE NEED. IT IS AN AFFILIATION BETWEEN NORTON HEALTHCARE AND OVER 100 COLLEGES AND UNIVERSITIES NATIONALLY. SINCE 2014, THIS PROGRAM HAS ASSISTED MORE THAN 1,000 GRADUATES CONTINUE THEIR CAREERS WITH NORTON HEALTHCARE.</p> <p>* IN 2018, NORTON HEALTHCARE WAS ONE OF THE FOUNDING PARTNERS IN JEFFERSON COUNTY PUBLIC SCHOOLS' ACADEMIES OF LOUISVILLE, A STRATEGIC PIPELINE DEVELOPMENT PROGRAM IN CONJUNCTION WITH THE LOCAL PUBLIC SCHOOL SYSTEM. JEFFERSON COUNTY PUBLIC SCHOOLS CREATED AN ACADEMY MODEL IN WHICH STUDENTS HAVE THE OPPORTUNITY TO SELECT CAREER-FOCUSED EDUCATION AND EARN INDUSTRY-RECOGNIZED CREDENTIALS WHILE IN HIGH SCHOOL. NORTON HEALTHCARE TRANSFORMED ITS SUMMER PROGRAM AND PREVIOUS HIGH SCHOOL SCHOLARSHIP OFFERINGS INTO A COMPREHENSIVE INTERNSHIP PROGRAM FOR STUDENTS ON THE HEALTH CARE ACADEMY TRACK. BEGINNING IN A STUDENT'S JUNIOR YEAR, HEALTH CARE ACADEMY STUDENTS EXPLORE CAREER PATHWAYS IN ONE OF FOUR KEY AREAS: PATIENT CARE, MEDICAL OFFICE, ALLIED HEALTH AND PHARMACY TECHNICIAN. EACH PHASE OFFERS A RIGOROUS CURRICULUM, BUSINESS ACUMEN AND PROFESSIONAL DEVELOPMENT, AS WELL AS HANDS-ON LEARNING OPPORTUNITIES IN THE STUDENTS' CHOSEN CAREER FIELDS. THE GOAL IS TO TRANSITION GRADUATING STUDENTS INTO STAFF POSITIONS WITH OUR ORGANIZATION AFTER COMPLETION OF THE PROGRAM. TUITION ASSISTANCE IS OFFERED FOR THESE NEW EMPLOYEES TO CONTINUE THEIR ACADEMIC AND CAREER PURSUITS WHILE WORKING AT NORTON HEALTHCARE IN THE FIELD OF THEIR CHOICE.</p> <p>*IN 2019, NORTON HEALTHCARE ANNOUNCED A STRATEGIC PARTNERSHIP PROGRAM WITH UPS AND METRO COLLEGE. NORTON HEALTHCARE - UPS HEALTH CARE CAREER TRACKS PROVIDES A TWO-PLUS-TWO METHOD, SPLITTING A FOUR-YEAR BACHELOR'S DEGREE INTO TWO PARTS. TYPICALLY, THE FIRST TWO YEARS ARE SPENT WORKING WITH UPS IN A GENERAL OR PRECLINICAL DESIGNATION, AND THEN THE STUDENT BEGINS THEIR CLINICAL PROGRAM IN THE LAST TWO YEARS. THIS TRANSITION ALLOWS STUDENTS TO EXPLORE EMPLOYMENT WITH NORTON HEALTHCARE AS WELL AS BECOME A NORTON HEALTHCARE SCHOLAR. THIS PROGRAM HELPS TO SUPPORT CAREER READINESS IN A HEALTH CARE-RELATED FIELD. THE COMBINED TUITION ASSISTANCE OFFERS STUDENTS A DEBT-FREE WAY TO GET A COLLEGE EDUCATION WHILE WORKING WITH TWO OF THE LEADING COMPANIES IN THE REGION.</p> <p>*THE STUDENT NURSE APPRENTICESHIP PROGRAM (SNAP) IS A 12- TO 18-MONTH APPRENTICESHIP THROUGH THE NORTON HEALTHCARE CENTER FOR NURSING PRACTICE IN WHICH NURSING STUDENTS WORK AND ENGAGE IN HANDS-ON LEARNING WITH AN EXPERIENCED MENTOR WHILE BECOMING INTEGRATED WITH NORTON HEALTHCARE.</p> <p>*IN 2019, NORTON HEALTHCARE LAUNCHED NEW APPRENTICESHIP PROGRAMS. THE SURGICAL TECH APPRENTICESHIP PROGRAM AND THE RESPIRATORY THERAPY APPRENTICESHIP PROGRAM ALLOW STUDENTS TO WORK AND LEARN WITH TUITION ASSISTANCE AS THEY GROW THEIR CAREERS WITH NORTON HEALTHCARE. DEVELOPMENT OF THE MEDICAL ASSISTANT PROGRAM LAUNCHED IN 2020 WITH A GOAL OF INTERNAL TRAINING PROGRAMS TO PRODUCE QUALITY PREPARED MEDICAL ASSISTANTS TO INTRODUCE INTO THE NORTON HEALTHCARE WORKFORCE. THERE ARE SEVERAL COHORTS FOR APPRENTICESHIPS THROUGHOUT EACH YEAR.</p> <p>THE NORTON HEALTHCARE INSTITUTE FOR EDUCATION AND DEVELOPMENT PROVIDES LEARNING OPPORTUNITIES TO ENHANCE THE PROFESSIONAL, EDUCATIONAL AND PERSONAL DEVELOPMENT OF ALL EMPLOYEES. IT CONSISTS OF SEVEN CENTERS: THE CENTER FOR PROFESSIONAL GROWTH; CENTER FOR NURSING PRACTICE; CENTER FOR CONTINUING MEDICAL, NURSING & PROVIDER EDUCATION; CENTER FOR EARNING & CLINICAL DOCUMENTATION SUPPORT; CENTER FOR ALLIED HEALTH; AND CENTER FOR SYSTEM NURSING & ANCILLARY EDUCATION. THE CENTER FOR PROFESSIONAL GROWTH PROVIDES LEARNING AND GROWTH OPPORTUNITIES THAT MEET THE NEEDS OF NORTON HEALTHCARE EMPLOYEES.</p> <p>*NORTON HEALTHCARE'S LEADERSHIP DEVELOPMENT PROGRAM IS COMPOSED OF THREE PROGRAMS THAT ADDRESS THE NEEDS OF NEW, ASPIRING AND CURRENT LEADERS:</p> <ul style="list-style-type: none"> - N THE KNOW: THIS IS OUR NEW LEADER ORIENTATION PROGRAM. NEWLY HIRED AND PROMOTED LEADERS ARE AUTOMATICALLY ENROLLED. THE PROGRAM HAS FOUR REQUIRED COURSES AND SIX ELECTIVE COURSES. - LEARNING THE NORTON WAY: THIS SIX-WEEK PROGRAM IS FOCUSED ON PREPARING EMPLOYEES FOR LEADERSHIP. LEADERSHIP APPROVAL IS REQUIRED FOR ALL EMPLOYEES WHO WISH TO ATTEND. - LEADING THE NORTON WAY: THIS PROGRAM IS FOR CURRENT NORTON HEALTHCARE LEADERS. IT IS A SIX-WEEK PROGRAM FOCUSED ON BEST PRACTICES FOR EFFECTIVE LEADERSHIP.

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	<p>ADDITIONAL LEADERSHIP DEVELOPMENT IS PROVIDED THROUGH QUARTERLY NORTON HEALTHCARE LEADERSHIP CONFERENCES.</p> <p>*STAFF DEVELOPMENT PROGRAMS INCLUDE GENERAL ENRICHMENT COURSES AND PERSONAL AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES THAT HONOR NORTON HEALTHCARE'S COMMITMENT TO LIFE-LONG LEARNING. A VARIETY OF ONLINE AND INSTRUCTOR-LED COURSES FOCUS ON LEARNING TOPICS SUCH AS COMMUNICATION, DIVERSITY, INTERPERSONAL RELATIONSHIP BUILDING, ACCOUNTABILITY, AND PROFICIENCY IN MICROSOFT OFFICE TOOLS.</p> <p>*NORTON HEALTHCARE USES A COMPREHENSIVE LEARNING MANAGEMENT SYSTEM TO PROVIDE A VARIETY OF ONLINE PROGRAMS THAT ENABLE STAFF IN ANY SPECIALTY AS WELL AS OTHER EMPLOYEES TO EXPAND THEIR KNOWLEDGE AND SKILLS. THESE PROGRAMS WERE DESIGNED TO MEET THE NEEDS OF NORTON HEALTHCARE, AS WELL AS OUR COMMUNITY, AND TO ENSURE THE HIGHEST QUALITY OF PATIENT CARE.</p> <p>NORTON FAITH & HEALTH MINISTRIES</p> <p>NORTON FAITH & HEALTH MINISTRIES WORKS WITH FAITH COMMUNITIES TO WEAVE HEALTH AND FAITH TOGETHER, PROMOTING THE INTENTIONAL INTEGRATION OF FAITH, HEALING AND WELLNESS THROUGH THE DEVELOPMENT OF HEALTH MINISTRIES. NORTON FAITH & HEALTH MINISTRIES PROVIDES MENTORING, EDUCATIONAL RESOURCES AND NETWORKING OPPORTUNITIES TO ASSIST HEALTH MINISTRY COORDINATORS AND FAITH COMMUNITY NURSES IN MINISTERING TO THEIR MEMBERS.</p> <p>IN 2020, THE DEPARTMENT SERVED MORE THAN 200 FAITH COMMUNITIES WITH ACTIVE HEALTH MINISTRY PROGRAMS AND COMMUNICATED BEST PRACTICES FOR COVID-19, INCLUDING MITIGATION, REOPENING AND OTHER HEALTH AND SAFETY PRACTICES. BY MAXIMIZING LONG-STANDING RELATIONSHIPS, THE DEPARTMENT PROVIDED A TRUSTED VOICE FOR TIMELY PANDEMIC INFORMATION RELEVANT TO FAITH COMMUNITIES. EFFORTS INCLUDED:</p> <p>*DISTRIBUTION OF 12 ISSUES OF THE "COORDINATORS' CONNECTION" EMAIL TO 220 HEALTH MINISTRY VOLUNTEER LEADERS, ADVISING ON VITAL COVID-19 ANNOUNCEMENTS AND RESOURCES</p> <p>*HOSTING FIVE NETWORKING SESSIONS WITH HEALTH EXPERTS AND SPIRITUAL SUPPORT, PROVIDING A REGULAR SPACE FOR QUESTIONS AND ANSWERS; 119 INDIVIDUALS ATTENDED THESE SESSIONS</p> <p>*PROVIDING A COVID-19-FOCUSED BIMONTHLY NEWSLETTER, DISTRIBUTED ELECTRONICALLY TO AN AVERAGE OF 1,400 SUBSCRIBERS PER ISSUE</p> <p>*RUSSELL F. COX, PRESIDENT AND CEO, WROTE AN ARTICLE INFORMING FAITH LEADERS AND THE LARGER COMMUNITY OF NORTON HEALTHCARE'S MISSION-DRIVEN RESPONSE TO THE PANDEMIC IN A MIDYEAR ISSUE OF "HEALTH MINISTRIES CONNECTION" NEWSLETTER, DELIVERED TO 5,000 INDIVIDUALS.</p> <p>WHILE THE COVID-19 PANDEMIC PRESENTED UNIQUE CHALLENGES, NORTON FAITH & HEALTH MINISTRIES CONTINUED TO NURTURE RELATIONSHIPS WITH FAITH COMMUNITIES AND BUILD BRIDGES TO WHOLE-PERSON HEALTH AND WELLNESS INFORMATION AND SERVICES.</p>

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<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>PASTORAL CARE DEPARTMENT</p> <p>NORTON HEALTHCARE'S PASTORAL CARE DEPARTMENT PROVIDES SPIRITUAL, RELIGIOUS AND EMOTIONAL CARE AND SUPPORT FOR PATIENTS, FAMILIES AND STAFF THROUGHOUT THE SYSTEM, 24 HOURS A DAY, 7 DAYS A WEEK. THE COVID-19 PANDEMIC PRESENTED MANY NEW CHALLENGES AND OPPORTUNITIES FOR THE DEPARTMENT. AS VISITATION RESTRICTIONS WERE IMPLEMENTED AND PATIENT NUMBERS DECREASED IN THE SPRING OF 2020, CHAPLAINS PUT ADDITIONAL FOCUS ON SUPPORTING STAFF. WITH SO MANY CHANGES, UNCERTAINTIES AND ANXIETIES, CHAPLAINS LISTENED, PRAYED WITH AND ENCOURAGED STAFF OF ALL DISCIPLINES. THE LEADERSHIP OF NORTON HEALTHCARE ROUTINELY REMINDED ALL 17,000+ EMPLOYEES THAT CHAPLAINS WERE AVAILABLE 24/7 TO HELP THEM. TOGETHER, CHAPLAINS AND CAREGIVERS LEARNED HOW TO USE IPADS AND ZOOM VIDEOCONFERENCING TECHNOLOGY TO HELP PATIENTS COMMUNICATE WITH FAMILY MEMBERS. MORE THAN THREE DOZEN INITIATIVES WERE UNDERTAKEN TO SUPPORT STAFF DURING 2020, INCLUDING:</p> <ul style="list-style-type: none"> *VIDEOTAPING WORSHIP SERVICES FOR EMPLOYEES UNABLE TO ATTEND SERVICES IN PERSON *PROVIDING SMALL CARDS WITH INSPIRATIONAL MESSAGES TO HAND OUT TO STAFF AND PATIENTS *CREATING "FLAT HENRY," A PAPER PHOTO VERSION OF A FACILITY DOG WHO IS HANDLED BY A CHAPLAIN, TO USE WHEN THE DOG COULD NOT BE IN THE HOSPITAL *MEETING WITH FAMILY MEMBERS IN THE PARKING LOTS WHEN THEY COULD NOT COME INTO THE HOSPITAL *ASSIGNING CHAPLAINS INDIVIDUAL GROUPS OR COMMUNITIES TO SUPPORT. ONE CHAPLAIN FOCUSED ON THE HISPANIC COMMUNITY BY VISITING FAMILIES AT FUNERAL HOMES AND PROVIDING ONGOING SUPPORT. ANOTHER BECAME THE CHAPLAIN FOR STAFF WHO WERE ON EXTENDED FURLOUGH DUE TO LONG-TERM COVID-19 SYMPTOMS. <p>EVEN WITH THE TOTAL NUMBER OF PATIENTS DOWN FOR SEVERAL MONTHS DURING 2020, CHAPLAINS MADE MORE THAN 29,000 PATIENT CONTACTS, PLUS THE THOUSANDS OF FAMILY MEMBERS THEY ALSO CARED FOR DURING THOSE VISITS. PASTORAL CARE CONVERSATIONS WERE MADE OVER THE PHONE WITH PATIENTS AND FAMILY MEMBERS ALIKE. AS SUPPLIES OF PERSONAL PROTECTIVE EQUIPMENT (PPE) BECAME MORE STABLE, CHAPLAINS SPENT MORE TIME IN ROOMS WITH PATIENTS AND WELCOMED VISITORS BACK DURING THE SUMMER. THE ASSISTANCE INCLUDED, BUT WAS NOT LIMITED TO:</p> <ul style="list-style-type: none"> *GRIEF SUPPORT AND FACILITATION OF DECISION-MAKING AT DEATH *END OF-LIFE AND GOALS-OF-CARE CONVERSATIONS *EDUCATION ABOUT AND ENACTING ADVANCE DIRECTIVES *OFFERING RELIGIOUS RITUALS AND LITERATURE *DISCUSSING ETHICAL DILEMMAS *PROVIDING COMFORT AND CONVERSATION WITH PATIENTS WHO WERE LONELY, AFRAID, CONFLICTED OR STRUGGLING <p>CHAPLAINS CARE FOR PEOPLE, REGARDLESS OF THEIR RELIGIOUS OR SPIRITUAL BACKGROUNDS AND BELIEFS, TO HELP THEM USE AND STRENGTHEN THEIR SPIRITUAL, EMOTIONAL AND RELATIONAL RESOURCES TO BETTER COPE AND TO THRIVE. THROUGH FORMAL AND INFORMAL STAFF SUPPORT EFFORTS, TEACHING, COMMITTEE INVOLVEMENT, ETHICS CONSULTATIONS AND MANY OTHER WAYS, CHAPLAINS ARE FULLY INTEGRATED INTO THE LIFE OF THE NORTON HEALTHCARE SYSTEM.</p> <p>NORTON HEART & VASCULAR INSTITUTE</p> <p>NORTON HEART & VASCULAR INSTITUTE IS LOUISVILLE'S LEADING CARDIOVASCULAR DISEASE PREVENTION AND TREATMENT PROGRAM. EACH YEAR, IT PROVIDES DIAGNOSTIC, MEDICAL, INTERVENTIONAL AND SURGICAL CARE FOR THOUSANDS OF PATIENTS FROM KENTUCKY AND SOUTHERN INDIANA. NORTON HEART & VASCULAR INSTITUTE SPECIALISTS TREAT PATIENTS AT NORTON HEALTHCARE'S FOUR ADULT-SERVICE HOSPITALS AND MORE THAN 28 OUTPATIENT CLINICS, DIAGNOSTIC CENTERS AND SPECIALTY LOCATIONS THROUGHOUT GREATER LOUISVILLE AND SOUTHERN INDIANA.</p> <p>NORTON HEART & VASCULAR INSTITUTE IS A PROGRESSIVE GROUP OF PRACTICES THAT MAINTAINS MORE THAN 52% OF THE TOTAL CARDIOVASCULAR MARKET SHARE, MORE THAN ANY OTHER HEALTH CARE PROVIDER IN OUR SERVICE AREA. IT OFFERS COMPREHENSIVE CARDIOVASCULAR CARE, INCLUDING SPECIALIZED PROGRAMS FOR ELECTROPHYSIOLOGY, STRUCTURAL HEART DEFECTS, ADVANCED CARDIAC IMAGING, ADVANCED HEART FAILURE AND CARDIAC REHABILITATION.</p> <ul style="list-style-type: none"> *KENTUCKY HAS ONE OF THE HIGHEST OCCURRENCES OF HEART DISEASE IN THE COUNTRY. AS A RESULT, NORTON HEART & VASCULAR INSTITUTE HAS COMMITTED TO BEING A LEADER IN ACUTE CHEST PAIN CARE. ALL FOUR OF NORTON HEALTHCARE'S ADULT-SERVICE HOSPITALS ARE RECOGNIZED BY THE AMERICAN COLLEGE OF CARDIOLOGY AS ACUTE CHEST PAIN CENTERS. OPTIMAL CARE FOR HEART ATTACK PATIENTS TAKES COORDINATION AT THE HOSPITAL, EMERGENCY MEDICAL SERVICES AND SYSTEM LEVELS. FOR EXCELLENCE IN COORDINATING THIS CARE AND CREATING A REGIONAL NETWORK OF CARE, NORTON HEALTHCARE RECEIVED THE MISSION: LIFELINE REGIONAL STEMI TRAILBLAZER ACHIEVEMENT AWARD FROM THE AMERICAN HEART ASSOCIATION AND WAS THE ONLY HEALTH CARE ORGANIZATION IN KENTUCKY TO RECEIVE THIS AWARD. *COMORBIDITIES FOUND IN MANY IN OUR REGION, AS WELL AS ADVANCING HEART DISEASE, ARE LEADING TO INCREASED OCCURRENCES OF HEART FAILURE. THE NORTON HEART & VASCULAR INSTITUTE ADVANCED HEART FAILURE & RECOVERY PROGRAM PROVIDES COMPREHENSIVE CARE TO MANAGE HEART FAILURE, AND IN SOME CASES, RECOVER INDIVIDUALS OUT OF HEART FAILURE. IN 2020, THE PROGRAM EXPANDED ITS ADVANCED TREATMENT OFFERINGS AS NORTON AUDUBON HOSPITAL RECEIVED VENTRICULAR ASSIST DEVICE (VAD) ACCREDITATION FROM DNV GL HEALTHCARE USA AND THE U.S. CENTERS FOR MEDICARE & MEDICAID SERVICES. THIS ADVANCED LEVEL OF CARE, PARTNERED WITH NAVIGATION, PATIENT EDUCATION AND SUPPORT OF THOSE WITH HEART FAILURE, IS KEY TO IMPACTING HEART FAILURE CARE IN KENTUCKY. *IN 2020, NORTON HEALTHCARE ACHIEVED SYSTEMWIDE NONINVASIVE CARDIOLOGY ACCREDITATION FROM THE INTERSOCIETAL ACCREDITATION COMMISSION. DEPARTMENTS THAT PERFORM NONINVASIVE CARDIOLOGY PROCEDURES ARE MANY TIMES THE FIRST TOUCHPOINT FOR NORTON HEALTHCARE

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	<p>PATIENTS FOR HEART AND VASCULAR CARE. THIS RECOGNITION SIGNIFIES THE HIGHEST LEVEL OF DIAGNOSTIC CAPABILITIES AT ALL NORTON HEALTHCARE LOCATIONS THROUGH THE USE OF NONINVASIVE ECHOCARDIOGRAPHY, NONINVASIVE VASCULAR ULTRASOUND, NUCLEAR CARDIOLOGY AND POSITRON EMISSION TOMOGRAPHY (PET) CARDIOLOGY.</p> <p>NORTON ORTHOPEDIC INSTITUTE</p> <p>NORTON ORTHOPEDIC INSTITUTE, A PART OF NORTON HEALTHCARE, PROVIDES ADVANCED ORTHOPEDIC CARE FOR ALL BONES AND JOINTS, AND FOR PEOPLE OF ALL AGES. NORTON ORTHOPEDIC INSTITUTE IS MADE UP OF BOARD-CERTIFIED PHYSICIANS - MANY OF WHOM ARE FELLOWSHIP TRAINED - WHO WORK TOGETHER WITH THERAPISTS, PHYSICAL REHABILITATION SPECIALISTS, PRIMARY CARE PHYSICIANS, NEUROLOGISTS, CERTIFIED ATHLETIC TRAINERS AND OTHER CARE PROVIDERS TO OFFER A FULL RANGE OF MULTIDISCIPLINARY ORTHOPEDIC SERVICES. UTILIZING A TEAM APPROACH, THESE SPECIALISTS FOCUS ON THE DIAGNOSIS, TREATMENT AND REHABILITATION OF BONE AND JOINT CONDITIONS AND INJURIES. NORTON ORTHOPEDIC INSTITUTE'S HIP AND KNEE REPLACEMENT PROGRAM HAS BEEN CERTIFIED AS A CENTER OF EXCELLENCE BY DNV GL HEALTHCARE USA, AS MEETING GUIDELINES OF THE AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS AND THE AMERICAN ASSOCIATION OF HIP AND KNEE SURGEONS. WITH LOCATIONS THROUGHOUT GREATER LOUISVILLE, INCLUDING SOUTHERN INDIANA, NORTON ORTHOPEDIC INSTITUTE OFFERS SEVERAL SPECIALTY CENTERS FOCUSED ON PROVIDING EXPERTISE IN GENERAL ORTHOPEDICS, JOINT REPLACEMENT, INJURIES, TRAUMA, PEDIATRICS, ONCOLOGY, SPINAL CONDITIONS AND SPORTS HEALTH.</p> <p>NORTON WOMEN'S CARE</p> <p>*IN 2020, NORTON WOMEN'S CARE BIRTHING FACILITIES AT NORTON HOSPITAL AND NORTON WOMEN'S & CHILDREN'S HOSPITAL PROVIDED CARE AND MEDICAL SERVICES FOR 7,986 DELIVERIES.</p> <p>* NORTON HOSPITAL AND NORTON WOMEN'S & CHILDREN'S HOSPITAL OFFERED FREE CHILDBIRTH EDUCATION CLASSES, HOSTING A TOTAL OF 235 IN 2020. IN RESPONSE TO THE COVID-19 PANDEMIC, THE EXPECTANT PARENT CURRICULUM WAS ADJUSTED TO OFFER CLASSES ONLINE. CLASS OFFERINGS WERE SIGNIFICANTLY REDUCED DUE TO THE LACK OF RESOURCES AVAILABLE FOR VIRTUAL INSTRUCTION.</p>

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<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>NORTON CHILDREN'S PREVENTION & WELLNESS</p> <p>*CHILD PASSENGER SAFETY TECHNICIANS CHECK CAR AND BOOSTER SEATS AND ALSO PROVIDE CAR AND BOOSTER SEATS AT FREE CHECKUP CLINICS STATEWIDE. IN 2020, 97 CAR SEATS WERE GIVEN TO FAMILIES IN NEED THROUGH THE COMMUNITY EVENTS AND HOSPITAL ADMISSIONS. ADDITIONALLY, 34 SPECIAL NEEDS CAR SEATS WERE LOANED TO CHILDREN WITH BODY CASTS AND PREMATURE INFANTS WHO WOULD NOT SAFELY FIT IN A CONVENTIONAL CAR SEAT. CERTIFIED CAR SEAT TECHNICIANS COMPLETED 273 CAR SEAT INSPECTIONS. 41 NEW CAR SEAT TECHNICIANS WERE TRAINED AND CERTIFIED LOCALLY AND THROUGHOUT THE STATE.</p> <p>*THE NORTON CHILDREN'S BIKE SAFETY RODEO PROGRAM HELD 19 RODEO EVENTS TO TEACH BICYCLE SAFETY TO 2,010 STUDENTS FROM GRADES 3 THROUGH 5 THROUGHOUT KENTUCKY.</p> <p>*THE "JUST FOR KIDS" TRANSPORT TEAM TRANSPORTS BABIES AND CHILDREN FROM ACROSS THE REGION TO NORTON CHILDREN'S HOSPITAL. TRANSPORTATION IS PROVIDED BY AIRPLANE, HELICOPTER AND SPECIALLY EQUIPPED AMBULANCES (MOBILE INTENSIVE CARE UNITS). IN 2020, 1,643 TRANSPORTATION TRIPS WERE COMPLETED.</p> <p>*IN EARLY FEBRUARY, MORE THAN 3,600 KINDERGARTEN STUDENTS, TEACHERS, CHAPERONES AND NURSING STUDENTS PARTICIPATED IN THE 37TH ANNUAL CHILDREN AND HOSPITALS WEEK EVENT. THE PROGRAM WAS HELD AT LOUISVILLE SLUGGER FIELD AND SUPPORTED BY A KOHL'S CARES GRANT. CHILDREN AND HOSPITALS WEEK IS DESIGNED TO TEACH SAFE DECISIONS AND BEHAVIORS TO HELP LESSEN THE FEAR AND ANXIETY CHILDREN MAY HAVE ABOUT COMING TO A HOSPITAL.</p> <p>*NORTON CHILDREN'S FOOD PANTRIES IN 19 OF OUR PEDIATRIC AND FAMILY MEDICINE PRIMARY CARE PRACTICES SERVED OVER 10,000 INDIVIDUALS WITH FOOD INSECURITY NEEDS.</p> <p>*IN RESPONSE TO THE COVID-19 PANDEMIC, NORTON CHILDREN'S PREVENTION & WELLNESS MOVED ALL OF ITS IN-PERSON PROGRAMMING TO A VIRTUAL PLATFORM IN MARCH OF 2020, SERVING OVER 5,187 INDIVIDUALS WITH PREVENTION AND WELLNESS PROGRAMMING, INCLUDING COOKING WORKSHOPS, TEEN WELLNESS WORKSHOPS, HEALTHY LIVING WELLNESS GROUP, AND TEEN TALK, OPEN AIRWAYS, POWER UP AND PLAY, SAFE BABY ESSENTIALS, SAFE KIDS AND SAFE GRANDPARENTING CLASSES.</p> <p>KENTUCKY POISON CONTROL CENTER OF NORTON CHILDREN'S HOSPITAL</p> <p>NORTON CHILDREN'S HOSPITAL IS HOME TO THE KENTUCKY POISON CONTROL CENTER. IN 2020, THE CENTER RECEIVED ALMOST 50,000 CALLS AND MADE MORE THAN 16,000 FOLLOW-UP CALLS TO CONCERNED FAMILIES FROM ALL 120 COUNTIES IN KENTUCKY. THE CENTER PROVIDED TREATMENT CONSULTATION AND EDUCATION ABOUT HOW TO CORRECTLY HANDLE EXPOSURES TO POISONS. IN ADDITION, THE CENTER DISTRIBUTED MORE THAN 12,000 PREVENTION EDUCATION RESOURCES TO PHYSICIANS' OFFICES, HEALTH DEPARTMENTS AND SCHOOLS, AND ALMOST 1,000 PACKETS OF MATERIALS TO INDIVIDUALS WHO CALLED THE POISON HOTLINE AT (800) 222-1222, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK. IN ADDITION TO ANSWERING THE POISON CONTROL HOTLINE, THIS YEAR THE STAFF OF THE POISON CONTROL CENTER ALSO ANSWERED THE KENTUCKY COVID-19 HOTLINE. IN 2020 THE HOTLINE RECEIVED MORE THAN 200,000 CALLS, INCLUDING THOSE WHO CALLED TO LISTEN TO THE RECORDED INFORMATION LINE.</p> <p>NORTON NEUROSCIENCE INSTITUTE</p> <p>FOUNDED IN 2009, NORTON NEUROSCIENCE INSTITUTE IS CONTINUING ITS QUEST TO BE THE REGIONAL AND NATIONAL LEADER IN TREATMENT, RESEARCH AND ACADEMIC TRAINING FOR ADULT AND PEDIATRIC NEUROSCIENCE DISCIPLINES. NORTON NEUROSCIENCE INSTITUTE ENSURES PATIENTS WILL BE TREATED FOR NEUROLOGICAL DISORDERS WITHOUT HAVING TO LEAVE THE REGION FOR CARE. SUBSPECIALTY NEUROSURGEONS, NEUROLOGISTS AND OTHER NEUROLOGY-RELATED SPECIALISTS HAVE JOINED THE GROWING INSTITUTE. THESE PHYSICIANS AND ADVANCED PRACTICE PROVIDERS OFFER EXPERTISE IN STROKE CARE, EPILEPSY, PARKINSON'S DISEASE, MULTIPLE SCLEROSIS, AMYOTROPHIC LATERAL SCLEROSIS (ALS), BRAIN TUMORS, HEADACHES, CONCUSSIONS, SPINE CARE, ENDOVASCULAR AND CEREBROVASCULAR NEUROSURGERY, AND MANY OTHER NEUROLOGICAL CONDITIONS.</p> <p>*KENTUCKY IS CONSIDERED TO BE PART OF THE "STROKE BELT," A REGION OF THE UNITED STATES THAT SEES A HIGH NUMBER OF INCIDENTS OF STROKE CASES. AS A RESULT, NORTON NEUROSCIENCE INSTITUTE HAS COMMITTED TO BEING A LEADER IN STROKE CARE. NORTON BROWNSBORO HOSPITAL IS A DESIGNATED COMPREHENSIVE STROKE CENTER, NORTON AUDUBON HOSPITAL AND NORTON HOSPITAL ARE CERTIFIED PRIMARY STROKE CENTERS, AND NORTON WOMEN'S & CHILDREN'S HOSPITAL IS AN ACUTE STROKE READY CERTIFIED CENTER.</p> <p>*NEUROSURGEONS WITH NORTON NEUROSCIENCE INSTITUTE WERE THE FIRST IN KENTUCKY TO USE MINIMALLY INVASIVE SURGERY TECHNIQUES, INCLUDING ROBOTIC SURGERY, LASER ABLATION AND STEREOELECTROENCEPHALOGRAPHY (SEEG) IN THE TREATMENT OF BRAIN TUMORS AND EPILEPSY FOR CHILDREN AND ADULTS.</p> <p>*NORTON NEUROSCIENCE INSTITUTE OFFERS TREATMENT FOR ALL NEUROLOGICAL DISORDERS. PROVIDERS WORK TOGETHER FOR THE PATIENT, PROVIDING MULTIDISCIPLINARY PROGRAMS IN AREAS OF BRAIN TUMOR, ALS, MOVEMENT DISORDERS, EPILEPSY, TRIGEMINAL NEURALGIA (FACE PAIN) AND STROKE.</p> <p>*IN 2019, NORTON NEUROSCIENCE INSTITUTE'S PEDIATRIC NEUROSURGEONS CAME TOGETHER WITH THE UOFL SCHOOL OF MEDICINE DEPARTMENT OF NEUROLOGY, DIVISION OF CHILD NEUROLOGY, TO CREATE NORTON CHILDREN'S NEUROSCIENCE INSTITUTE, AFFILIATED WITH THE UOFL SCHOOL OF MEDICINE. WHILE BOTH GROUPS HAVING BEEN WORKING TOGETHER FOR DECADES, THE CREATION OF THE NEW INSTITUTE ALLOWS FOR LEADING EXPERTS TO WORK MORE SEAMLESSLY TOGETHER TO TREAT THE FULL SPECTRUM OF SPINE AND BRAIN CONDITIONS IN CHILDREN.</p> <p>NORTON HEALTHCARE PREVENTION & WELLNESS</p> <p>*NORTON HEALTHCARE PREVENTION AND WELLNESS PLAYED A KEY ROLE IN SUPPORTING THE COMMUNITY THROUGHOUT THE COVID-19 PANDEMIC. IN 2020, THIS DEPARTMENT SUPPORTED THE FIRST COVID-19 TESTING SITE AND PROVIDED TESTING THROUGHOUT THE CITY AT VARIOUS LOCATIONS. IN</p>

Return Reference - Identifier	Explanation
	<p>DECEMBER 2020, IT BEGAN ADMINISTERING COVID-19 VACCINATIONS.</p> <p>*IN 2020, NORTON HEALTHCARE PREVENTION & WELLNESS STAFF PROVIDED PREVENTIVE SCREENINGS ABOARD THE NORTON HEALTHCARE MOBILE PREVENTION CENTER IN COLLABORATION WITH VARIOUS COMMUNITY PARTNERS. OVER 800 WOMEN RECEIVED MAMMOGRAMS AND/OR WELLNESS EXAMS, INCLUDING CERVICAL CANCER SCREENINGS, ABOARD THE MOBILE UNIT. OF THOSE, APPROXIMATELY 9% HAD NOT BEEN SCREENED IN THE PAST FIVE YEARS AND 13% HAD NEVER HAD A MAMMOGRAM. OF THE ALMOST 90 NORTON HEALTHCARE MOBILE PREVENTION CENTER EVENTS, OVER HALF TOOK PLACE IN UNDERSERVED COMMUNITIES AND OVER 60% OF PATIENTS CAME FROM MEDICALLY UNDERSERVED AREAS.</p> <p>*EDUCATION ON CARDIOVASCULAR HEALTH, EFFECTS OF SMOKING, PROSTATE HEALTH, BREAST AND WOMEN'S HEALTH, COLON HEALTH AND MORE WAS PROVIDED TO ALMOST 1,200 COMMUNITY MEMBERS AT VARIOUS EVENTS, SUCH AS HEALTH FAIRS AND PRESENTATIONS. IF ELIGIBLE AND INTERESTED, PARTICIPANTS WERE OFFERED REFERRALS FOR A COLONOSCOPY OR GIVEN AN AT-HOME TESTING KIT THAT THEY COULD MAIL TO THE LAB AND LATER RECEIVE THEIR RESULTS. COLONOSCOPY REFERRALS WERE MADE FOR 29 PEOPLE AND 95 PEOPLE RECEIVED AT-HOME TESTING KITS. TO HELP ELIMINATE BARRIERS TO CARE, NORTON HEALTHCARE PREVENTION & WELLNESS IMPLEMENTED A DEDICATED PHONE NUMBER, (502) 446-WELL, THAT LINKS ELIGIBLE PATIENTS TO COLONOSCOPY SCHEDULING OR REQUESTING IN-HOME TESTS.</p> <p>*IN COLLABORATION WITH MANY COMMUNITY PARTNERS, STAFF PROVIDED ALMOST 2,000 CARDIOVASCULAR SCREENINGS (BLOOD PRESSURE, BMI, GLUCOSE AND CHOLESTEROL) FOR APPROXIMATELY 700 PARTICIPANTS IN MULTIPLE LOCATIONS THROUGHOUT JEFFERSON AND SURROUNDING COUNTIES, INCLUDING IN SOUTHERN INDIANA. EACH PARTICIPANT RECEIVED EDUCATION ON HEALTHY LIFESTYLE CHOICES, SUCH AS DIET AND EXERCISE. GROUP EDUCATION ON VARIOUS HEALTH AND WELLNESS TOPICS WAS PROVIDED THROUGHOUT THE YEAR.</p> <p>*NORTON HEALTHCARE PREVENTION & WELLNESS CONDUCTED NINE AMERICAN LUNG ASSOCIATION FREEDOM FROM SMOKING CLASSES IN 2020, WITH OVER 20 PEOPLE ATTENDING. HALF REPORTED THEY WERE TOBACCO-FREE. ONE CLASS WAS TAUGHT IN SPANISH.</p> <p>*THE GET HEALTHY WALKING CLUB HAS ALMOST 5,000 MEMBERS. 2020 BROUGHT 1,081 NEW MEMBERS TO THE FREE CLUB TO IMPROVE THEIR OVERALL HEALTH. GET HEALTHY WALKING CLUB MEMBERS HAVE FREE ACCESS TO WALK EACH DAY AT THE LOUISVILLE ZOO FROM MARCH THROUGH OCTOBER, 8 TO 9:30 A.M.</p>
<p>SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH</p>	<p>RESEARCH</p> <p>*NORTON HEALTHCARE GUIDES ONE OF THE LARGEST PORTFOLIOS OF CLINICAL RESEARCH OF ANY COMMUNITY HEALTH CARE SYSTEM IN THE UNITED STATES. AT ANY POINT IN TIME, MORE THAN 750 CLINICAL STUDIES ARE ACTIVE OR PENDING AT NORTON HEALTHCARE. THESE STUDIES ENGAGE MORE THAN 300 NORTON HEALTHCARE STAFF AND SIGNIFICANTLY IMPACT OUR PATIENTS AND THEIR FAMILIES.</p> <p>*AREAS OF CLINICAL RESEARCH FOCUS INCLUDE PEDIATRICS, ONCOLOGY, CARDIOLOGY, ORTHOPEDICS AND SPINE, NEUROLOGY, NEUROSURGERY, MATERNAL-FETAL MEDICINE AND PULMONOLOGY.</p> <p>*NORTON HEALTHCARE INVESTS SIGNIFICANTLY IN CLINICAL RESEARCH TO BENEFIT OUR COMMUNITY/PATIENTS AND TO SUPPORT CLINICAL SCIENCE BY PARTICIPATING IN THE DEVELOPMENT OF NEW CLINICAL INTERVENTIONS (DRUGS/DEVICE/PROCEDURES) THAT WILL BECOME GENERALIZABLE TO AND SHARED WITH A WIDE NUMBER OF PATIENT POPULATIONS AND MEDICAL PROFESSIONALS. THESE NEW, INNOVATIVE TREATMENTS EXPAND THE MEDICAL COMMUNITY'S KNOWLEDGE AND POTENTIALLY IMPROVE THE QUALITY OF MEDICAL CARE NOW AND IN THE FUTURE.</p> <p>*IN 2020, NORTON HEALTHCARE RESPONDED TO THE COVID-19 PANDEMIC BY OPENING AND GUIDING MORE THAN 10 COVID-19 TREATMENT STUDIES. AS A CLINICAL STUDY SITE, NORTON HEALTHCARE ENROLLED THE FIRST PATIENT IN THE WORLD FOR THREE OF THOSE CLINICAL TRIALS.</p> <p>*NORTON HEALTHCARE GUIDED A PHASE 3 STUDY OF THE ONE-DOSE JOHNSON & JOHNSON/JANSSEN COVID-19 VACCINE THAT GAINED FDA EMERGENCY USE AUTHORIZATION EARLY IN 2021. NORTON HEALTHCARE, IN PARTNERSHIP WITH UK HEALTHCARE AND BAPTIST HEALTH LEXINGTON, GAINED VISIBILITY AS THE LARGEST ENROLLING SITE IN THE WORLD FOR THIS IMPORTANT STUDY.</p>
<p>SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP</p>	<p>NORTON HEALTHCARE, INC. (THE CONTROLLING COMPANY) 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 260 PHYSICIAN PRACTICE LOCATIONS, AND 16 NORTON IMMEDIATE CARE CENTER LOCATIONS, AND OTHER ANCILLARY HEALTH CARE SERVICES.</p>
<p>SCHEDULE H, LINE 7, INPUT 7 - STATE FILING OF COMMUNITY BENEFIT REPORT</p>	<p>NOT REQUIRED AT THIS TIME BY COMMONWEALTH OF KENTUCKY.</p>

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTON HOSPITALS, 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

2020

Open to Public Inspection

Employer identification number

61-0703799

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 checked="" 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>	✓	
<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>	✓	
<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>	✓	
<p>b Participate in or receive payment from a supplemental nonqualified retirement plan?</p>	✓	
<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>		✓
<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>		✓
<p>b Any related organization?</p> <p>If "Yes" on line 5a or 5b, describe in Part III.</p>		✓
<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>		✓
<p>b Any related organization?</p> <p>If "Yes" on line 6a or 6b, describe in Part III.</p>		✓
<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>	✓	
<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>		✓
<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>		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 RUSSELL F. COX PRESIDENT & CEO/TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	1,278,434	697,191	536,817	167,797	33,034	2,713,272	44,485
2 MICHAEL W. GOUGH EXEC VP AND COO	(i)	0	0	0	0	0	0	0
	(ii)	873,998	407,253	263,773	112,157	30,080	1,687,263	30,710
3 AARON SPALDING, M.D. PHYSICIAN	(i)	798,735	540,729	143,768	16,656	52,246	1,552,135	0
	(ii)	0	0	0	0	0	0	0
4 SHAWN GLISSON, M.D. PHYSICIAN	(i)	914,594	375,765	4,713	17,100	33,164	1,345,336	0
	(ii)	0	0	0	0	0	0	0
5 JOSEPH MALY, M.D. PHYSICIAN	(i)	705,298	580,636	650	12,649	36,060	1,335,291	0
	(ii)	0	0	0	0	0	0	0
6 YONG CHA, M.D. PHYSICIAN	(i)	634,812	539,161	33,466	12,560	48,860	1,268,860	0
	(ii)	0	0	0	0	0	0	0
7 DON STEVENS, M.D. PHYSICIAN	(i)	740,340	408,250	35,478	25,015	26,870	1,235,953	0
	(ii)	0	0	0	0	0	0	0
8 JOSEPH FLYNN, D.O. CAO NMG - PHYSICIAN -IN-CHIEF NCI	(i)	602,040	190,868	89,234	113,165	31,339	1,026,646	67,364
	(ii)	0	0	0	0	0	0	0
9 ADAM KEMPF SR VP, CFO/TREASURER	(i)	0	0	0	0	0	0	0
	(ii)	529,306	228,445	103,094	123,967	30,182	1,014,993	57,152
10 ROBERT B. AZAR SR VP CHIEF LEGAL OFFICER/SECRETARY	(i)	0	0	0	0	0	0	0
	(ii)	493,335	213,253	116,118	115,748	14,230	952,684	69,368
11 THOMAS KMETZ FORMER DIVISION PRESIDENT WOMEN AND CHILDREN SERVICES	(i)	0	0	844,306	3,093	2,478	849,878	567,886
	(ii)	0	0	0	0	0	0	0
12 MATTHEW AYERS HOSPITAL CAO	(i)	348,506	113,932	61,056	70,248	26,329	620,070	38,872
	(ii)	0	0	0	0	0	0	0
13 CHARLOTTE IPSAN HOSPITAL CAO	(i)	306,167	108,729	87,832	75,320	24,652	602,698	37,396
	(ii)	0	0	0	0	0	0	0
14 ANDREW STRAUSBAUGH HOSPITAL CAO	(i)	301,578	101,411	58,140	61,231	28,906	551,266	34,376
	(ii)	0	0	0	0	0	0	0
15 EMMETT RAMSER HOSPITAL CAO	(i)	301,861	99,202	52,697	67,783	28,999	550,541	32,448
	(ii)	0	0	0	0	0	0	0
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 1A - DISCRETIONARY SPENDING ACCOUNT</p>	<p>DISCRETIONARY SPENDING ACCOUNTS ARE TREATED AS TAXABLE COMPENSATION. THE ORGANIZATION PROVIDES A DISCRETIONARY SPENDING ACCOUNT FOR ELIGIBLE NORTON HEALTHCARE, INC. (NHC) EXECUTIVES, EFFECTIVE OCTOBER 1, 2007. NHC PROVIDES BENEFITS TO ITS IDENTIFIED EXECUTIVE STAFF TO PROVIDE A TOTAL COMPENSATION PACKAGE THAT IS COMPETITIVE WITH THE MARKET AND WHICH CONFORMS TO THE PHILOSOPHY AND GUIDELINES SET OUT BY THE BOARD OF TRUSTEES, THROUGH THE EXECUTIVE COMPENSATION PHILOSOPHY AND PROGRAMS. THROUGH THE DISCRETIONARY SPENDING ACCOUNT POLICY, EXECUTIVES ARE FREE TO CHOOSE WHATEVER BENEFITS THEY FIND MOST USEFUL OR IMPORTANT TO THEM AND NHC DOES NOT REIMBURSE FOR THE COST OF THOSE BENEFITS, AS THEY ARE PART OF THE DISCRETIONARY SPENDING ACCOUNT.</p> <p>THE INTERESTED PERSONS LISTED BELOW RECEIVED THE BENEFIT OF A DISCRETIONARY SPENDING ACCOUNT IN 2020:</p> <p>MATTHEW AYERS - \$10,000 THOMAS KMETZ - \$1,346 CHARLOTTE IPSAN - \$10,000 JOSEPH FLYNN - \$10,000 ANDREW STRAUSBAUGH - \$10,000 EMMETT RAMSER - \$10,000</p>
<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 HOSPITALS, 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 4A - SEVERANCE OR CHANGE-OF-CONTROL PAYMENT</p>	<p>SEVERANCE PAYMENT WAS RECEIVED DURING 2020 BY FORMER KEY EMPLOYEE: THOMAS KMETZ IN THE AMOUNT OF \$59,601 OTHER COMPENSATION INCLUDED IN SCHEDULE J COLUMN B(III).</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 - \$149,210 MICHAEL W. GOUGH - \$94,136 ROBERT AZAR - \$98,798 ADAM KEMPF - \$108,162 MATTHEW AYERS - \$54,116 CHARLOTTE IPSAN - \$52,937 JOSEPH FLYNN - \$98,915 ANDREW STRAUSBAUGH - \$45,039 EMMETT RAMSER - \$47,595</p> <p>THE "PAYMENT RECEIVED" OUTLINED BELOW REPRESENTS CASH PAYMENTS THAT THE EMPLOYEE RECEIVED DURING 2020 AND CAN BE COMPRISED OF CURRENT AND OR PRIOR YEARS EMPLOYEE AND EMPLOYER CONTRIBUTIONS.</p> <p>NAME - PAYMENT RECEIVED RUSSELL F. COX - \$181,945 MICHAEL W. GOUGH - \$126,527 ROBERT AZAR - \$71,360 ADAM KEMPF - \$63,686 MATTHEW AYERS - \$45,476 CHARLOTTE IPSAN - \$41,545 THOMAS KMETZ - \$784,502 JOSEPH FLYNN - \$69,298 ANDREW STRAUSBAUGH - \$38,883 EMMETT RAMSER - \$38,190</p>
<p>SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS</p>	<p>IN 2020, 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 L
(Form 990 or 990-EZ)**

Transactions With Interested Persons

OMB No. 1545-0047

2020

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization

NORTON HOSPITALS, INC.

Employer identification number

61-0703799

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

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

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV**Business Transactions Involving Interested Persons** (continued)

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JASON NACHAZEL	FAMILY MEMBER OF RONALD LEHOCKY, TRUSTEE	\$86,318	COMPENSATION		✓
(2) BARBARA KMETZ	FAMILY MEMBER OF THOMAS KMETZ, FORMER KEY EMPLOYEE	\$92,054	COMPENSATION		✓
(3) SARAH A. ROBINSON	FAMILY MEMBER OF DONALD H ROBINSON, TRUSTEE	\$56,829	COMPENSATION		✓
(4) LORRAINE BOUVETTE	FAMILY MEMBER OF MARIA BOUVETTE, TRUSTEE	\$74,869	COMPENSATION		✓
(5) LAURA HORTERT	FAMILY MEMBER OF EMMETT RAMSER, KEY EMPLOYEE	\$44,531	COMPENSATION		✓

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2020

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization
NORTON HOSPITALS, INC.

Employer identification number
61-0703799

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1				
2				
3				
4	✓		6,000	MARKET VALUE
5	✓		144,822	MARKET VALUE
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	✓	14	194,123	MARKET VALUE
21				
22				
23				
24				
25	✓	3	52,187	MARKET VALUE
26	✓	17	200,601	MARKET VALUE
27				
28				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		✓
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?	✓	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		✓
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II

Supplemental Information. Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference - Identifier	Explanation
SCHEDULE M, PART I - EXPLANATIONS OF REPORTING METHOD FOR NUMBER OF CONTRIBUTIONS	BOOKS AND PUBLICATIONS - NUMBER OF CONTRIBUTIONS
	CLOTHING AND HOUSEHOLD GOODS - NUMBER OF CONTRIBUTIONS
	DRUGS AND MEDICAL SUPPLIES - NUMBER OF CONTRIBUTIONS
	OTHER - HOSPITAL EQUIPMENT NUMBER OF CONTRIBUTIONS
	OTHER - DONATED MEALS NUMBER OF CONTRIBUTIONS

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

Department of Treasury Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the Organization
NORTON HOSPITALS, INC.

Employer Identification Number
61-0703799

Return Reference - Identifier	Explanation
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	OPERATING ROOMS CARED FOR 17,440 INPATIENT SURGICAL PATIENTS AND 34,160 OUTPATIENT SURGICAL PATIENTS. ADDITIONALLY, 7,986 DELIVERIES WERE PERFORMED AT NHI BIRTHING CENTERS. UNDER ITS CHARITY CARE PROGRAM, NHI PROVIDED FREE CARE TO 8,497 PATIENTS, AT A COST OF \$12.8 MILLION. ALSO, NHI GRANTS PATIENTS A DISCOUNT FROM BILLED CHARGES TO ANY INDIVIDUALS THAT HAVE NO ACCESS TO PRIVATE HEALTH INSURANCE OR DO NOT QUALIFY FOR GOVERNMENT ASSISTANCE OR CHARITY CARE. UNDER THIS PROGRAM, 9,796 PATIENTS WERE PROVIDED CARE AT DISCOUNTED RATES. OTHER CONTRIBUTIONS TO THE COMMUNITY WERE THE UNPAID COST OF MEDICAID SERVICES OF \$51.5 MILLION AND EDUCATIONAL SUPPORT OF \$75.0 MILLION, PRIMARILY TO THE UNIVERSITY OF LOUISVILLE'S SCHOOL OF MEDICINE. ALSO, COMMUNITY HEALTH IMPROVEMENT SERVICES TOTALED \$15.6 MILLION, AND CONTRIBUTIONS TO COMMUNITY GROUPS WERE \$1.6 MILLION.
FORM 990, PART V, LINE 1A - COMMON PAYING AGENT 1099S	NORTON HEALTHCARE, INC. (NHC) EIN 61-1028725 IS THE COMMON PAYING AGENT FOR NORTON HOSPITALS, INC. (NHI) AND THEREFORE, ALL VENDORS, INCLUDING INDEPENDENT CONTRACTORS, ARE PAID AND REPORTED BY NHC ON BEHALF OF NHI. FOR PURPOSES OF PART V, LINE 1, THE NUMBER OF 1099S REPORTED AND FILED FOR 2020 BY NHC FOR NHI, WAS APPROXIMATELY 264. NHI HAS 141 INDEPENDENT CONTRACTORS EXCEEDING \$100,000 FOR 2020.
FORM 990, PART V, LINE 2A - COMMON PAYING AGENT FOR EMPLOYEES	NORTON HEALTHCARE, INC. (NHC) EIN 61-102875 IS THE COMMON PAYING AGENT FOR NORTON HOSPITALS, INC. (NHI) THEREFORE, ALL APPLICABLE IRS TAX COMPLIANCE FILINGS ARE REPORTED BY NHC ON BEHALF OF NHI. NHI HAS APPROXIMATELY 12,237 EMPLOYEES.
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 OF FIRE THE CHIEF EXECUTIVE OFFICER; AND F) AMEND THE ARTICLES OF INCORPORATION OR BYLAWS.
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	NORTON HEALTHCARE, INC. (EIN 61-1028725) IS THE SOLE MEMBER OF NORTON HOSPITALS, 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 7, 2021 NORTON HEALTHCARE, INC. (NHC) FINANCE COMMITTEE MEETING AND AT THE OCTOBER 14, 2021 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., 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 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 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 AT SIMILAR ORGANIZATIONS.</p> <p>GALLAGHER CONSULTANTS PRESENTED AND DISCUSSED THIS COMPARABILITY DATA IN 2019 FOR THE 2020 COMPENSATION REVIEW AND MET IN 2020 FOR THE 2021 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., AND THE CHILDREN'S HOSPITAL FOUNDATION, 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 OR THE FORM 990 AS REPORTABLE COMPENSATION TO THE TRUSTEE RECEIVING STIPENDS IN 2020.</p>					
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table border="1" data-bbox="459 1083 1521 1163"> <thead> <tr> <th data-bbox="459 1083 1304 1121">(a) Description</th> <th data-bbox="1312 1083 1521 1121">(b) Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1121 1304 1163">AFFILIATE TRANSFER</td> <td data-bbox="1312 1121 1521 1163">- 127,478</td> </tr> </tbody> </table>		(a) Description	(b) Amount	AFFILIATE TRANSFER	- 127,478
(a) Description	(b) Amount					
AFFILIATE TRANSFER	- 127,478					

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization
NORTON HOSPITALS, 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

2020

Open to Public Inspection

Employer identification number
61-0703799

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) -----					
(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) 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.		✓
(3) 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.		✓
(4) 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.		✓
(5) 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.		✓
(6) NORTON HEALTHCARE - INDIANA INC. (85-0513259) ACCOUNTING 224 E BROADWAY 5TH FLOOR, LOUISVILLE, KY 40202	OPERATE HOSPITAL AND OTHER HEALTHCARE FACILITIES	IN	501(C)(3)	10	NORTON HEALTHCARE, INC.		✓
(7) -----							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

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

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

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

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

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

	Yes	No
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 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) 224 E BROADWAY 5TH FLOOR, LOUISVILLE, KY 40202-2025	PROVIDE PATHOLOGY 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, 2020 and 2019
With Report of Independent Auditors

Ernst & Young LLP



Norton Healthcare, Inc. and Affiliates
Combined Financial Statements and Supplementary Information
Years Ended December 31, 2020 and 2019

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Ernst & Young LLP
Suite 1200
400 West Market Street
Louisville, KY 40202

Tel: +1 502 585 1400
ey.com

Report of Independent Auditors

The Board of Trustees
Norton Healthcare, Inc. and Affiliates

We have audited the accompanying combined financial statements of Norton Healthcare, Inc. and Affiliates, which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes 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.

Auditor’s Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Norton Healthcare, Inc. and Affiliates at December 31, 2020 and 2019, and the combined results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

April 1, 2021

Norton Healthcare, Inc. and Affiliates

Combined Balance Sheets

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 261,256	\$ 109,578
Marketable securities and other investments	271,988	131,194
Patient accounts receivable	255,373	262,386
Inventory	66,980	61,174
Prepaid expenses and other	50,723	48,208
Miscellaneous receivables	26,344	21,122
Current portion of assets limited as to use	24,473	23,077
Total current assets	<u>957,137</u>	<u>656,739</u>
Assets limited as to use, net of current portion	2,032,777	1,572,956
Property and equipment, net	1,257,095	1,069,550
Other assets:		
Investments in joint ventures	24,829	27,914
Pledges receivable, net	23,877	23,548
Beneficial interest in trusts held by others	27,725	25,978
Goodwill and indefinite-lived intangible assets	20,508	20,508
Interest rate swaps asset	8,062	3,108
Operating lease right-of-use assets, net	140,637	183,467
Other assets	23,051	23,495
Total other assets	<u>268,689</u>	<u>308,018</u>
Total assets	<u><u>\$ 4,515,698</u></u>	<u><u>\$ 3,607,263</u></u>

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 93,185	\$ 87,184
Accrued expenses and other	135,144	78,064
Current portion of operating lease liability	20,012	19,506
Accrued payroll and related items	184,959	139,089
Due to third-party payors, net	17,245	23,900
Accrued interest	12,723	8,411
Current portion of long-term debt	41,641	38,183
Total current liabilities	<u>504,909</u>	<u>394,337</u>
Other non-current liabilities:		
Pension liability	54,698	61,124
Insurance liability	94,096	90,384
Long-term operating lease liability, net of current portion	120,053	163,143
Other	260,415	80,592
Total other non-current liabilities	<u>529,262</u>	<u>395,243</u>
Long-term debt, net of current portion	1,512,445	1,045,186
Net assets:		
Without donor restrictions	1,832,492	1,643,022
With donor restrictions	136,590	129,475
Total net assets	<u>1,969,082</u>	<u>1,772,497</u>
Total liabilities and net assets	<u>\$ 4,515,698</u>	<u>\$ 3,607,263</u>

See accompanying notes.

Norton Healthcare, Inc. and Affiliates

Combined Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Revenue:		
Net patient service revenue	\$ 2,602,446	\$ 2,494,112
CARES Act Provider Relief Funds	77,938	–
Other revenue	49,709	48,221
Donations and contributions	13,556	11,737
Joint venture income	1,506	6,090
Total revenue	<u>2,745,155</u>	<u>2,560,160</u>
Operating expenses:		
Labor and benefits	1,456,882	1,293,870
Professional fees	103,250	82,713
Drugs and supplies	655,631	604,820
Fees and special services	145,552	133,512
Repairs, maintenance, and utilities	97,558	91,564
Rent and leases	44,698	44,110
Insurance	30,544	24,312
Provider tax	24,554	20,130
Other	21,259	21,882
Total operating expenses	<u>2,579,928</u>	<u>2,316,913</u>
Earnings before fixed expenses and other gains (losses)	165,227	243,247
Fixed expenses:		
Depreciation and amortization	114,902	104,542
Interest expense	44,379	41,222
Interest rate swaps benefit, net	(934)	(1,655)
	<u>158,347</u>	<u>144,109</u>
Patient service margin	6,880	99,138

Norton Healthcare, Inc. and Affiliates

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

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Patient service margin	\$ 6,880	\$ 99,138
Investment gain	88,827	74,126
Operating gain	95,707	173,264
Non-operating gains (losses):		
Change in net unrealized gains on investments	72,820	116,662
Change in interest rate swaps value	4,323	742
Petersdorf Fund grants	(1,450)	(5,762)
Net periodic pension cost	(4,389)	(10,081)
Other non-operating gains, net	2,850	6,010
Total non-operating gains	74,154	107,571
Excess of revenue over expenses	169,861	280,835
Net assets without donor restrictions:		
Change in pension plan asset and obligation	11,094	7,309
Net assets released from restriction for equipment and other	8,515	6,937
Increase in net assets without donor restrictions	189,470	295,081
Net assets with donor restrictions:		
Contributions, fees, grants, bequests, net	17,266	14,689
Investment gain	4,125	3,344
Change in beneficial interest in trusts held by others	1,939	3,202
Change in net unrealized gains on investments	2,534	4,975
Net assets released from restriction	(18,749)	(14,729)
Increase in net assets with donor restrictions	7,115	11,481
Increase in net assets	196,585	306,562
Net assets at beginning of year	1,772,497	1,465,935
Net assets at end of year	\$ 1,969,082	\$ 1,772,497

See accompanying notes.

Norton Healthcare, Inc. and Affiliates

Combined Statements of Cash Flows

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Operating activities		
Increase in net assets	\$ 196,585	\$ 306,562
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	114,902	104,542
(Premium amortization) discount accretion, net	(6,070)	2,890
Change in net unrealized gains on investments	(75,354)	(121,637)
Change in interest rate swaps value	(4,954)	(742)
Change in pension plan asset and obligation	(11,094)	(7,309)
Restricted contributions and investment gain	(23,330)	(21,235)
Cash provided by (used in) operating assets and liabilities:		
Change in patient accounts receivable	7,013	(25,297)
Change in assets limited as to use, net	(385,863)	(72,850)
Change in amounts due to third-party payors	(6,655)	(23,478)
Change in marketable securities and other investments	(140,794)	(3,690)
Change in other current and non-current assets and liabilities	289,327	9,517
Net cash (used in) provided by operating activities	<u>(46,287)</u>	147,273
Investing activities		
Purchase of property and equipment	(265,468)	(205,679)
Change in joint ventures and other	3,085	(10,701)
Net cash used in investing activities	<u>(262,383)</u>	(216,380)
Financing activities		
Increase in long-term debt	478,989	–
Principal payments on long-term debt	(38,947)	(37,066)
Cost of long-term debt issuance	(3,024)	–
Restricted contributions and investment gain	23,330	21,235
Net cash provided by (used in) financing activities	<u>460,348</u>	(15,831)
Increase (decrease) in cash and cash equivalents	151,678	(84,938)
Cash and cash equivalents at beginning of year	109,578	194,516
Cash and cash equivalents at end of year	<u>\$ 261,256</u>	<u>\$ 109,578</u>

See accompanying notes.

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

December 31, 2020

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 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 1,907 licensed beds, 15 Norton Immediate Care Centers, and providing care at more than 300 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 conformity with U.S. generally accepted accounting principles (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 in excess of operating requirements for general expenditures is transferred to assets limited as to use. The Corporation's long-term assets limited as to use contain various investments that can be drawn

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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. In addition, in 2020, the Corporation entered into a \$100.0 million line of credit agreement that can be drawn upon, if necessary, to meet the liquidity needs of the Corporation through its maturity in June 2021. There were no borrowings against the line of credit in 2020.

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 part of marketable securities and other investments and assets limited as to use are excluded from cash equivalents as they are commingled with longer-term investments. The amount of cash and cash equivalents carried on the combined balance sheets approximates fair value.

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, 2020 and 2019, \$105.0 million and \$27.6 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 assets 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, 2020 and 2019.

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 on investments are included in the excess of revenue over expenses 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 financial instrument. The underlying investments in these financial instruments 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 accordance with terms of the subscription agreements. Hedge fund redemptions typically contain

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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 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 fund's life. The financial statements of all of the Corporation's alternative investments are audited annually. Because these financial instruments 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 financial instruments 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 the investments 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 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. 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. 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, 2020 or 2019.

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 sheet. 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 statement 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 accounted for using the equity method or cost method of accounting, as appropriate.

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	
	2020	2019
	<i>(In Thousands)</i>	
Premier Healthcare Alliance, LP <i>(Note 15)</i>	\$ —	\$ 2,545
The Regional Health Network of Kentucky and Southern Indiana, LLC <i>(Note 16)</i>	13,532	14,663
Other	11,297	10,706
	\$ 24,829	\$ 27,914

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

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Premier Healthcare Alliance, LP <i>(Note 15)</i>	\$ 2,188	\$ 1,015
The Regional Health Network of Kentucky and Southern Indiana, LLC <i>(Note 16)</i>	(1,131)	2,832
Other	449	2,243
	\$ 1,506	\$ 6,090

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, 2020 or 2019.

Goodwill and Indefinite-Lived Intangible Assets

The Corporation has goodwill and indefinite-lived intangible assets recorded related to a pathology laboratory, several physician practices, diagnostic centers, and an ambulatory surgical center license totaling \$20.5 million at both December 31, 2020 and 2019.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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 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.

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. The Corporation as a whole is defined as the reporting unit for purposes of impairment testing. 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 2020 and 2019 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 \$118.2 million and \$113.4 million as of December 31, 2020 and 2019, respectively. Medical malpractice and general liability self-insurance liabilities of \$26.9 million and \$25.0 million are included in accrued expenses and other current liabilities at December 31, 2020 and 2019, respectively, based on the expectation of the payout of claims in the subsequent year. Additionally, the Corporation has recorded total receivables of \$12.5 million and \$11.3 million as of December 31, 2020 and 2019, respectively, for anticipated reinsurance recoveries. Of total anticipated reinsurance recoveries, \$3.3 million and \$2.8 million are classified as current at December 31, 2020 and 2019, respectively, and are recorded in miscellaneous receivables on the combined balance sheets. The non-current portion of anticipated reinsurance recoveries of \$9.3 million and \$8.5 million at December 31, 2020 and 2019, respectively, are recorded in other assets on the combined balance sheets. The Corporation recorded a decrease in medical malpractice and general liability self-insurance expense of approximately \$1.7 million and \$4.6 million in 2020 and 2019, respectively, related to changes in actuarial estimates reflecting

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

lower claim activity, closed claims, improved 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 0.50% and 1.75% at December 31, 2020 and 2019, respectively, represent management's best estimate of ultimate costs.

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 on investments, as applicable.

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.

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.

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 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 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), section 606-10-50-14(a) 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 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.

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 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 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 were not significant in 2020 or 2019.

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, 2020, include a \$179.8 million advance payment from the Centers for Medicare and Medicaid Services (CMS) as part of the Medicare Accelerated and Advanced Payment Program (see Note 17 for additional information). Contract liabilities at December 31, 2019, were not significant to the Corporation.

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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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.

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 \$4.6 million and \$2.7 million in 2020 and 2019, respectively, as a result of changes in estimated settlements with Medicare, Medicaid, and other commercial payors.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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 approximately \$12.8 million and \$15.2 million in 2020 and 2019, respectively. To offset the cost of charity care provided, the Corporation received state means program reimbursement and other financial assistance related receipts of \$0.8 million in both 2020 and 2019.

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 ASC 606. Primary categories include capitation revenue, technical service fee revenue, research revenue, rental income, parking revenue, and revenue from other miscellaneous sources.

Excess of Revenue Over Expenses

The combined statements of operations and changes in net assets include subtotals for patient service margin, operating gain, and excess of revenue over expenses. Excess of revenue over expenses 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, 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 asset and obligation.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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 trusts in its combined balance sheets and the changes in the fair values of the ownership interests of the trusts as net assets with donor restrictions.

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 0.02% to 2.02% at December 31, 2020, and from 0.03% to 1.94% at December 31, 2019. Discount rates reflect the economic conditions of the year in which the pledge was made.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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	
	2020	2019
	<i>(In Thousands)</i>	
Gross pledges due:		
In less than one year	\$ 12,484	\$ 10,367
In one to five years	3,344	4,176
In more than five years	34,389	33,616
	50,217	48,159
Allowance for uncollectible pledges	(405)	(262)
Discounting	(13,856)	(14,244)
Net pledges receivable	35,956	33,653
Less current portion	(12,079)	(10,105)
Net pledges receivable long-term	\$ 23,877	\$ 23,548

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

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 and Kentucky state income tax returns. The statute of limitations for tax years 2017 through 2019 remains open in the taxing jurisdictions in which the Corporation is subject to taxation, and the 2020 tax year's statute of limitations will begin once returns for that year are filed. In addition, for all tax years prior to 2018 generating or utilizing a net operating loss (NOL), tax authorities can adjust the amount of NOL carryforward to subsequent years.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

As of December 31, 2020, the Corporation has NOL carryforwards of approximately \$30.8 million (\$24.1 million at December 31, 2019). These NOL carryforwards expire in years 2021 to 2040. As a result of the NOL carryforwards, the Corporation recorded a deferred income tax asset of \$7.9 million and \$6.2 million at December 31, 2020 and 2019, 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 \$7.9 million and \$6.2 million at December 31, 2020 and 2019, respectively.

Recent Accounting Pronouncements

Recently Adopted

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)* (ASU 2018-13). ASU 2018-13 improves the disclosure requirements on fair value measurements. The Corporation adopted ASU 2018-13 effective January 1, 2020. The adoption of ASU 2018-13 did not have a material impact on the notes to combined financial statements.

Reclassification

Certain balances in the 2019 combined balance sheet, combined statement of operations and changes in net assets, and footnote disclosures have been reclassified to conform to current year presentation. The effect of such reclassifications did not change total net assets, operating gain, or excess of revenue over expenses.

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

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Community Service (Unaudited) (continued)

patients treated at Norton Hospital, Norton Audubon Hospital, Norton Women’s and Children’s Hospital, and Norton Brownsboro 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 2020 edition of the Catholic Health Association’s *Guide for Planning and Reporting Community Benefit* (CHA guidelines) to report the community benefit amounts.

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	
	2020	2019
	<i>(In Thousands)</i>	
Charity care ^(A)	\$ 11,988	\$ 14,408
Educational support	51,456	53,233
Unpaid cost of Medicaid services	74,973	65,928
Sponsorships	1,587	1,693
Community cancer initiatives	6,369	6,038
Community service activities	611	1,080
Other community benefits	8,656	12,630
	\$ 155,640	\$ 155,010

^(A) Consistent with Internal Reserve 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 state means program reimbursement and other financial assistance related receipts of \$0.8 million in both 2020 and 2019.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

3. Property and Equipment

Property and equipment consists of:

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Land and land improvements	\$ 72,890	\$ 73,449
Buildings	1,228,299	1,085,753
Equipment	1,147,564	1,260,957
	<u>2,448,753</u>	<u>2,420,159</u>
Accumulated depreciation and amortization	<u>(1,424,978)</u>	<u>(1,550,711)</u>
	1,023,775	869,448
Construction-in-process	233,320	200,102
	<u>\$ 1,257,095</u>	<u>\$ 1,069,550</u>

Equipment includes computer software costs of \$95.2 million and \$99.9 million at December 31, 2020 and 2019, respectively, which are primarily related to the Corporation's clinical and revenue cycle information systems. The accumulated depreciation related to computer software recorded in accumulated depreciation and amortization is \$79.2 million and \$77.9 million at December 31, 2020 and 2019, 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 \$8.5 million for both the years ended December 31, 2020 and 2019.

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	
	2020	2019
	<i>(In Thousands)</i>	
By Board of Trustees for indigent care, education, research, and community health initiatives (Petersdorf Fund)	\$ 158,835	\$ 118,720
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)	10,655	–
By Board of Trustees	1,520,068	1,264,129
	1,689,558	1,382,849
By self-insurance trust agreements	108,373	108,907
Less current portion	(23,640)	(22,243)
By self-insurance trust agreements, net	84,733	86,664
By bond indenture trust agreements	182,197	21,885
Less current portion	(3)	(11)
By bond indenture trust agreements, net	182,194	21,874
By contractual agreement	13,281	24,040
Less current portion	(830)	(823)
By contractual agreement	12,451	23,217
By donors	63,841	58,352
	\$ 2,032,777	\$ 1,572,956

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 are excluded from current assets as they are not intended to be used within one year. The Board 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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

The Corporation's actual weighted-average allocations for assets limited as to use, by asset category, are as follows:

	December 31	
	2020	2019
Money market funds	2.1%	3.4%
Marketable debt securities	15.9	14.8
Marketable equity securities	10.1	6.3
Mutual funds	37.9	37.7
Private equity funds	3.9	4.2
Hedge funds	18.9	22.2
Real estate funds	5.3	6.9
Common and collective trust funds	5.9	4.5
	100.0%	100.0%

At December 31, 2020, the Corporation has committed capital yet to be called of approximately \$30.8 million to private equity funds over the next one to three years (\$25.0 million at December 31, 2019).

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 on investments (included in non-operating gains (losses) for net assets without donor restrictions).

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

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

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

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Investment gain by net asset class:		
Without donor restrictions	\$ 88,827	\$ 74,126
With donor restrictions	4,125	3,344
Total investment gain	<u>\$ 92,952</u>	<u>\$ 77,470</u>
Components of investment gain:		
Interest and dividends	\$ 23,159	\$ 31,514
Income distributions from trusts	952	1,108
Investment fees	(4,533)	(4,733)
Net realized gains on investments recorded at fair value	45,986	14,097
Net realized gains on investments recorded at other than fair value	200	—
Change in net unrealized gains on investments recorded at other than fair value	27,188	35,484
Total investment gain	<u>\$ 92,952</u>	<u>\$ 77,470</u>

The total changes in net unrealized gains on investments with and without donor restrictions were \$75.4 million and \$121.6 million for the years ended December 31, 2020 and 2019, respectively, and are solely composed of the change in net unrealized gains on investments recorded at fair value.

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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

	December 31		Level
	2020	2019	
	<i>(In Thousands)</i>		
Marketable securities and other investments, at fair value			
Marketable debt securities ^(A)	\$ 271,988	\$ 131,194	2
Assets limited as to use, at fair value			
By Board of Trustees and donors:			
Money market fund	7,508	5,548	1
Mutual funds:			
PIMCO Real Return Fund ^(B)	77,763	45,951	1
Capital World Growth and Income Fund ^(C)	131,369	120,605	1
Dodge & Cox Global Stock Fund ^(D)	152,431	121,937	1
Dreyfus Global Equity Fund ^(E)	141,704	120,974	1
Wells Capital Management Core Fixed Income ^(F)	73,917	54,098	1
Vanguard Emerging Market Stock Fund ^(G)	41,576	31,011	1
MetWest Total Return Bond Fund ^(H)	73,508	56,370	1
Angel Oak Multi-Strategy Income Fund ^(I)	36,528	-	1
Other mutual funds ^(J)	61,020	50,858	1
Total mutual funds	<u>789,816</u>	<u>601,804</u>	
Common and collective trust funds:			
City of London International Equity Fund ^(K)	54,918	31,882	NAV
Kabouter International Opportunities Fund ^(L)	19,992	-	NAV
Wellington Diversified Inflation Hedge ^(M)	45,923	40,165	NAV
Total common and collective trust funds	<u>120,833</u>	<u>72,047</u>	
Separately-managed accounts:			
Sterling Capital ^(N)	74,145	67,501	2
EPOCH All Cap US Equity ^(O)	90,860	80,878	1
Disciplined Growth Investors ^(P)	14	80,193	1
DF Dent Midcap Growth ^(Q)	98,366	-	1
Other ^(R)	1,411	1,322	1
Total separately-managed accounts	<u>264,796</u>	<u>229,894</u>	
Total assets limited as to use by Board of Trustees and donors, at fair value	<u>\$ 1,182,953</u>	<u>\$ 909,293</u>	

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

	December 31		Level
	2020	2019	
	<i>(In Thousands)</i>		
By contractual agreements:			
Money market fund	\$ 13,281	\$ 24,040	1
Total assets limited as to use by contractual agreements, at fair value	13,281	24,040	
By self-insurance trust agreements (all separately-managed accounts):			
Money market fund	3,694	8,036	1
Marketable debt securities ^(S)	79,274	77,953	2
Sterling Special Opportunities Equity ^(T)	9,910	8,732	1
Sterling Fundamental Small Cap Value Strategy ^(U)	6,354	5,641	1
Sterling Equity Income Strategy ^(V)	9,141	8,545	1
Total assets limited as to use by self-insurance trust agreements, at fair value	108,373	108,907	
By bond indenture trust agreements:			
Money market fund	3	11	1
Marketable debt securities ^(W)	182,194	21,874	2
Total assets limited as to use by bond indenture, at fair value	182,197	21,885	
Total assets limited as to use, at fair value	1,486,804	1,064,125	
Assets limited as to use at other than fair value:			
Hedge funds ^(X)	384,337	355,082	N/A
Real estate funds ^(Y)	109,731	109,445	N/A
Private equity funds ^(Z)	76,378	67,381	N/A
Total assets limited as to use at other than fair value	570,446	531,908	
Less current portion of self-insurance trust and bond indenture trust and assets limited as to use by contractual agreement	(24,473)	(23,077)	
Total assets limited as to use	\$ 2,032,777	\$ 1,572,956	
Other assets at fair value:			
Beneficial interest in trusts held by others <i>(Note 1)</i>	\$ 27,725	\$ 25,978	2
Interest rate swaps asset <i>(Note 7)</i>	8,062	3,108	2

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

- (A) Investment-grade readily marketable corporate debt securities (95%), municipal fixed-income securities (3%) and money market funds invested in high-quality fixed-income securities (2%).
- (B) Mutual fund seeks to maximize real returns by investing the majority of its assets in Treasury Inflation Protected Securities (TIPS) issued by the U.S. government. The fund may also invest in U.S. Treasury securities, corporate bonds, mortgage-backed securities and emerging market bonds to add value when opportunities arise.
- (C) Mutual fund invests in domestic and international equities with a focus on companies paying regular dividends and strives to exceed the MSCI World Index.
- (D) Mutual fund invests in equity securities issued by medium-to-large-sized, well-established global companies, including those domiciled in emerging markets, and strives to exceed the MSCI World Index.
- (E) Mutual fund invests in domestic and international equities and strives to exceed the MSCI World Index.
- (F) Mutual fund seeks to deliver excess return relative to the taxable fixed-income universe as measured by the Barclays U.S. Aggregate Bond Index.
- (G) Mutual fund seeks to provide long-term capital appreciation. The fund invests mainly in equity securities of companies located in emerging markets, including small, mid, and large capitalization companies.
- (H) Mutual fund seeks to maximize long-term total return. At least 80% of its net assets are invested in investment-grade fixed-income securities or unrated securities of similar quality. Up to 20% of its net assets may be invested in securities rated below investment grade.
- (I) Mutual fund invests primarily in mortgage-backed and other asset backed fixed-income securities such as credit card receivables, student loans, automobile loans and residential and commercial real estate. The fund may invest in corporate debt securities of any quality and maturity.
- (J) Various other publicly traded mutual funds invested in a variety of money market, fixed-income, domestic equity, and international equity mutual funds. The equity mutual funds are diverse in investment strategies, including both value and growth and a variety of market capitalizations.
- (K) Common and collective trust invested in companies both in developed and emerging markets equities seeks to provide long-term capital growth via stock selection and active country allocation and strives to outperform the MSCI ACWI ex-U.S. Index.
- (L) Fund seeks to invest in undervalued companies and consists entirely of investments in non-U.S. equities, primarily in developed markets. Holdings typically have a market cap between \$1.5 billion and \$3.0 billion, and the number of positions in the portfolio typically ranges from 35 to 45.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

- (M) Common and collective trust fund whose objective is to maximize real return by investing in a variety of securities that offer strong relative performance in a rising inflation environment. This common and collective trust fund seeks to exceed the Dow Jones AIG Commodity Total Return Index.
- (N) Manager invests primarily in marketable corporate debt securities (64%), U.S. government fixed-income securities (29%), and other fixed-income investments (7%) with the objective of maximizing total return while preserving capital. Manager strives to exceed the Barclays Capital Aggregate Index.
- (O) Manager invests in domestic equities across various industries with a value orientation and high rates of free cash flow. Manager strives to exceed the Russell 3000 Value Index.
- (P) Manager seeks to invest in mid-cap companies with market caps between \$1 billion and \$10 billion that are expected to yield high returns. The portfolio will generally hold between 40 and 50 securities with an average turnover ratio ranging from 15% to 30%.
- (Q) Manager seeks to invest in a diversified group of equities that possess attractive long-term growth characteristics and whose market capitalizations are similar to those of companies in the Russell Midcap growth index.
- (R) Conglomeration of smaller accounts whose components are not deemed material for individual breakout. Largest holding is a money market fund (67%).
- (S) Externally managed portfolio holding investment-grade U.S. agency and U.S. Treasury fixed-income securities whose maximum maturity does not exceed five years.
- (T) Equity portfolio that primarily invests in companies with the best perceived combination of underlying growth potential and attractive valuation in a high conviction portfolio of 25 to 40 holdings.
- (U) Fund invests in small cap value companies, focusing on balance sheet strength and consistent value since inception and strives to exceed the Russell 2000 Value Index.
- (V) Fund seeks long-term appreciation by identifying companies with consistent dividend growth and above average yield, attractive valuation and strong balance sheets and strives to exceed the Russell 1000 Value Index.
- (W) Externally managed portfolio holding primarily U.S. agency and Treasury securities (approximately 73% of the portfolio) and highly rated municipal and commercial paper fixed-income securities (approximately 27% of the portfolio) structured to generate returns while protecting principal and providing liquidity to fund draws on the project fund.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

- ^(X) The hedge funds are composed of both fund of funds and direct hedge funds that seek to provide equity-like returns over a full market cycle with reduced volatility and low correlation. The hedge fund total consists of twelve separate funds. The managers employ various strategies, including, but not limited to, long/short equity, long/short credit, distressed credit, merger/credit arbitrage, and macro trading strategies.
- ^(Y) The real estate funds include an actively managed private real estate investment trust (REIT) composed of participating mortgages and wholly owned real estate investments. The real estate fund total consists of two separate funds. A smaller portion of the holdings include a commingled real estate fund, which includes the purchase of REITs, real estate properties, private equity funds, public debt securities, and high-yield private debt.
- ^(Z) The private equity funds are comprised of limited partnerships that invest in the equity and debt of privately held companies. The private equity fund total consists of eight separate funds. The objective of these strategies is to provide a return that exceeds that of public equity markets over a long-term time period. These investments will typically have a life of five to ten years depending on the strategy.

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.

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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Fair Value Measurements (continued)

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, 2020 and 2019, 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, 2020 or 2019.

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 Asset

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 fair value of the Corporation's pledges receivable as of the date pledged, based on discounted cash flow analysis and adjusted for consideration of the donor's credit, is \$36.0 million and \$33.7 million at December 31, 2020 and 2019, 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.

Certain financial instruments are not required to be marked to fair value on a recurring basis, and, therefore, the level of disclosure is noted as not applicable.

6. Net Patient Service Revenue

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

	Year Ended December 31			
	2020		2019	
	<i>(Dollars in Thousands)</i>			
Commercial	\$ 1,191,424	46%	\$ 1,192,775	48%
Medicare	793,091	30	741,753	30
Medicaid	594,315	23	495,285	20
Self-pay and other	23,616	1	64,299	2
	\$ 2,602,446	100%	\$ 2,494,112	100%

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt

Long-term debt consists of the following:

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2020, dated March 10, 2020 (2020 Bonds)	\$ 400,000	\$ –
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2016, dated August 11, 2016 (2016 Bonds)	535,865	554,870
Louisville/Jefferson County Metro Government Health System Revenue Bonds, Series 2013, dated September 26, 2013 (2013 Bonds)	204,580	204,580
Louisville/Jefferson County Metro Government Health System Fixed Rate Revenue Refunding Bonds, dated October 31, 2012 (2012A Bonds)	2,150	4,300
Louisville/Jefferson County Metro Government Health System Variable Rate Revenue Bonds, dated August 10, 2011 (2011 Bonds)	77,140	79,995
Kentucky Economic Development Finance Authority, Health System Revenue Bonds, Series 2000, dated October 1, 2000 (2000 Bonds)	167,140	178,280
	1,386,875	1,022,025
Unamortized premiums	94,169	21,251
Less unamortized deferred financing costs	(9,836)	(8,237)
	1,471,208	1,035,039
Finance leases	82,878	48,330
Total long-term debt	1,554,086	1,083,369
Less amounts due within one year	(41,641)	(38,183)
Total long-term debt, net of current portion	\$ 1,512,445	\$ 1,045,186

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 \$84.5 million and \$91.1 million at December 31, 2020 and 2019, respectively.

At December 31, 2020 and 2019, 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. and Norton Hospitals, 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, 2020 and 2019.

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 of Series D uninsured fixed-rate revenue bonds (2020D Bonds). The proceeds of these bonds, including the premium of \$79.0 million, 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.

At December 31, 2020, 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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The 2020B Bonds, 2020C Bonds, and 2020D 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 2020B Bonds, 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, 2023, October 1, 2026 and October 1, 2029, respectively. The Corporation may fund these repurchases by remarketing the bonds. The 2020B Bonds, the 2020C Bonds, and the 2020D Bonds are subject to optional redemption by the Corporation prior to maturity at various redemption prices plus accrued interest beginning July 1, 2023 through September 30, 2023, 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 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, 2020 and 2019, the 2016A Bonds consist of term bonds with interest rates ranging from 3.0% to 5.0% 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 a direct placement issue and held entirely by Branch Banking and Trust Company, with final maturity in 2021 and 2023, respectively. The 2016B and 2016C Bonds are subject to optional redemption at any time prior to maturity by the Corporation for 100% of par. At December 31, 2020 and 2019, the applicable cost of the debt for the 2016B and 2016C Bonds was approximately 0.8% and 2.1%, respectively.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

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 2013B 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 bonds. Proceeds from the 2013B Bonds were used to refund all remaining Series 2000C Bonds outstanding at the time.

At both December 31, 2020 and 2019, the 2013A Bonds consisted of fixed-rate term bonds with interest rates ranging from 4.50% to 5.75% maturing through October 1, 2042. The 2013A Bonds have annual sinking fund deposits of various amounts due annually on October 1 beginning in 2024. Interest is payable semiannually on April 1 and October 1. Beginning October 1, 2023, the 2013A Bonds maturing on or after October 1, 2023, are subject to optional redemption by the Corporation prior to maturity for 100% of par.

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 December 31, 2020 and 2019, the applicable cost of the debt for the 2013C Bonds was approximately 0.5% and 2.3%, respectively.

2012 Bonds

In 2012, the Corporation entered into a loan agreement with the Louisville/Jefferson County Metro Government to issue \$21.1 million of Series A uninsured fixed-rate revenue bonds (2012A Bonds). Proceeds from the 2012A Bonds were used to refund the remainder of the 1997 Bonds. The 2012A Bonds are a direct placement issue, with a final maturity occurring in 2021. The approximate cost of debt at both December 31, 2020 and 2019, was 2.00%. The 2012A Bonds are subject to optional redemption by the Corporation at any time prior to maturity subject to “make whole” provisions.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

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 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 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 December 31, 2020 and 2019, the applicable cost of the debt for the 2011A Bonds was approximately 0.5% and 2.3%, respectively. At December 31, 2020 and 2019, the applicable cost of the debt for the 2011B Bonds was approximately 0.6% and 2.3%, respectively.

The 2011C Bonds are direct placement issuances and are held entirely by PNC Bank, and their final maturity occurs in 2021. At December 31, 2020 and 2019, the applicable cost of debt for the 2011C Bonds was approximately 1.5% and 2.5%, respectively. The 2011C Bonds are subject to optional redemption at any time prior to maturity subject to “make whole” provisions.

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 (collectively, the 2000 Bonds). 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 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, 2020 and 2019, the remaining 2000 Bonds consist of the 2000B Bonds with interest rates ranging from 6.16% to 6.23%, and 6.13% 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. 2000B Bonds mature in various amounts on October 1 through 2028. 2000B Bonds are not subject to optional redemption prior to maturity.

Required debt service on all outstanding bonds is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<i>(In Thousands)</i>		
2021	\$ 26,507	\$ 63,539	\$ 90,046
2022	26,674	63,510	90,184
2023	26,792	63,371	90,163
2024	15,559	69,551	85,110
2025	16,160	69,874	86,034
Thereafter	1,144,874	487,003	1,631,877
	<u>\$ 1,256,566</u>	<u>\$ 816,848</u>	<u>\$ 2,073,414</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

For 2021 through final maturity of the 2000B Bonds, \$130.3 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 \$9.8 million of the 2000B Bonds' interest payable in 2021.

For the variable-rate bond series, which includes all of the Series 2011 Bonds, 2013C Bonds, 2016B Bonds, and 2016C 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 2.20%.

The Corporation paid interest of \$56.2 million and \$48.0 million during 2020 and 2019, respectively. The Corporation capitalized interest costs of \$3.7 million and \$2.9 million during 2020 and 2019, 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 August 2020, the Corporation terminated one of its interest rate swaps for a one-time cash payment (outflow) of \$631,000 paid in August 2020. The loss on termination was recorded as change in interest rate swaps value in non-operating gains (losses) in the combined statement of operations for the year ended December 31, 2020. On September 1, 2020, the Corporation entered into a new basis swap.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

7. Long-Term Debt (continued)

The Corporation holds the following interest rate swaps:

Counter Party	Notional Amount	Effective Date	Maturity Date	Receive	Pay	December 31	
						2020	2019
<i>(In Thousands)</i>							
Interest rate swaps held at December 31, 2020							
Citigroup	\$ 94,210	9/1/2020	9/1/2040	2 times 0.9239% of one-month LIBOR	2 times SIFMA	\$ (528)	\$ –
Citigroup	80,745	10/1/2004	10/1/2028	62.6% of one-month LIBOR plus 0.57%	SIFMA	1,193	(211)
Citigroup	140,000	11/3/2006	11/3/2031	61.7% of one-month LIBOR plus 0.577%	SIFMA	3,052	3,480
Citigroup	200,000	11/3/2008	11/3/2026	61.7% of ten-year LIBOR minus 0.016%	SIFMA	5,150	877
JP Morgan	200,000	4/1/2019 11/3/2026	4/1/2039	0.124% 61.7% of ten-year LIBOR	– SIFMA	(805) –	(2,393) –
						8,062	1,753
Interest rate swap terminated in 2020							
Citigroup	94,220	02/21/2001	10/01/2028	1.4925% of one-month LIBOR	2 times SIFMA	–	1,355
						\$ 8,062	\$ 3,108

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 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, 2020 and 2019, based upon the agreements with Citigroup and JP Morgan the Corporation's cumulative contract value was an asset of \$11.8 million and \$4.6 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, 2020 and 2019, 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 swap agreements to maturity, as it intends, no cash settlement will be necessary and any posted 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 interest rate swaps value within non-operating gains (losses). The fair value at December 31, 2020 and 2019, 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 these interest rate swaps is settled semiannually on April 1 and October 1. During the interim periods, a receivable or payable is recorded. As of December 31, 2020 and 2019, 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	Combined Balance Sheet, Net
	<i>(In Thousands)</i>		
December 31, 2018	\$ 464	\$ 2,366	\$ 2,830
Interest rate swaps benefit, net	1,655	-	1,655
Swap cash settlement received	(1,771)	-	(1,771)
Change in interest rate swaps value	-	742	742
December 31, 2019	348	3,108	3,456
Interest rate swaps benefit, net	934	-	934
Swap cash settlement received	(681)	-	(681)
Change in interest rate swaps value	-	4,954	4,954
December 31, 2020	\$ 601	\$ 8,062	\$ 8,663

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	
	2020	2019
	<i>(In Thousands)</i>	
Health care services	\$ 81,809	\$ 79,086
Investments to be held in perpetuity, the income from which is expendable to support health care services	27,057	24,411
Beneficial interest in trusts held by others, the income from which is expendable to support health care services	27,724	25,978
Total net assets with donor restrictions	<u>\$ 136,590</u>	<u>\$ 129,475</u>

9. Endowment Funds

The Corporation's endowment consists of 16 individual donor-restricted endowment funds (13 at The Children's Hospital Foundation, Inc. and three at Norton Healthcare Foundation, Inc.) established for a variety of purposes. The Children's Hospital Foundation, Inc. and Norton Healthcare Foundation, Inc. are collectively referred to as the Foundations. Net assets associated with endowment funds are included in net assets with donor restrictions.

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted in the Commonwealth of Kentucky on March 25, 2010. The Foundations have interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundations classify as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) market appreciation and/or investment income that is restricted by the donor in the gift agreement.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Endowment Funds (continued)

Investment Objectives and Policy

The Foundations follow the investment policy objectives of the Corporation. The long-term objective of the policy is to generate a return that is sufficient to meet its current and expected future financial requirements, as defined by the Corporation's long-range financial plan. To accomplish this objective, the Corporation seeks to earn the greatest total return possible consistent with its general risk tolerance, the securities noted as eligible for purchase, and the asset allocation strategies included in the investment policy. The asset allocation includes investments in cash, marketable debt and equity securities, and alternative investments.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundations have adopted a 5% spending policy, which is based upon a three-year rolling average of the fair market value of the endowment fund. The current year spending policy is calculated using year-end December 31 market values.

In addition to the 5% spending policy, the Foundations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundations and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundations
7. The investment policies of the Corporation

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Endowment Funds (continued)

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original fair market value of the gift. The Foundations will not appropriate funds from the endowment for spending until the current value of the fund exceeds the fair value of the original gift, unless an appropriation is deemed prudent based upon the factors listed above.

The Corporation had endowment funds with deficiencies as follows:

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Fair value of underwater endowment funds	\$ 1,993	\$ 1,974
Original endowment gifts	2,001	2,001
Amount of deficiencies	\$ (8)	\$ (27)

The Corporation had endowment-related activities as follows:

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Endowment net assets, beginning of year	\$ 24,411	\$ 18,881
Investment gain	2,780	3,494
Contributions, less uncollectible pledges	899	2,972
Appropriation of endowment assets for expenditure	(1,106)	(960)
Other	73	24
Endowment net assets, end of year	\$ 27,057	\$ 24,411

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. 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 2020 or 2019, 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 the Plan, and provide additional data to allow for recalculation of the benefits. As of both December 31, 2020 and 2019, 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 held oral argument on October 15, 2020, and the parties are awaiting either a request for further oral argument or a ruling. Based on the Appeals Court ruling 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, 2020, combined financial statements.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

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	
	2020	2019
	<i>(In Thousands)</i>	
Interest cost	\$ 7,178	\$ 9,030
Expected return on plan assets	(7,956)	(6,034)
Amortization of net loss	3,262	4,470
Settlement cost	1,905	2,615
Net periodic benefit cost	<u>\$ 4,389</u>	<u>\$ 10,081</u>

Included as a component of net periodic benefit cost for 2020 and 2019 is a settlement cost of \$1.9 million and \$2.6 million, respectively. 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 2020 and 2019, the Plan paid \$10.7 million and \$11.9 million, respectively, in lump-sum benefit payments. This exceeded the threshold of \$7.2 million and \$9.0 million in 2020 and 2019, respectively. The settlement cost is determined by taking the ratio of the lump-sum benefit payments made to the projected benefit obligation before settlement, multiplied by the unrecognized loss in the Plan.

Included in net assets without donor restrictions are \$48.1 million and \$58.9 million of unrecognized actuarial losses at December 31, 2020 and 2019, respectively, which have not been recognized in net periodic benefit cost.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

The following amounts related to plan activity have been recognized as an increase in net assets without donor restrictions in change in pension plan asset and obligation on the combined statements of operations and changes in net assets:

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Net gain	\$ 5,648	\$ 216
Amortization of net loss	3,262	4,470
Settlement cost	1,905	2,615
	\$ 10,815	\$ 7,301

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:

	2020	2019
	<i>(In Thousands)</i>	
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 268,290	\$ 252,801
Interest cost	7,178	9,030
Actuarial loss	8,385	21,689
Benefit payments:		
Lump sum	(10,683)	(11,920)
Annuity	(3,538)	(3,310)
Projected benefit obligation at the end of year	269,632	268,290
Change in plan assets:		
Fair value of plan assets at beginning of year	207,166	175,652
Actual return on plan assets	21,989	27,939
Employer contributions	-	18,805
Benefit payments:		
Lump sum	(10,683)	(11,920)
Annuity	(3,538)	(3,310)
Fair value of plan assets at end of year	214,934	207,166
Funded status and net pension liability	\$ (54,698)	\$ (61,124)

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. 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, 2020 or 2019.

Assumptions

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

	December 31	
	2020	2019
Discount rate	1.80%	2.81%
Interest crediting rate (cash balance only)	2.11	3.33

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

	December 31	
	2020	2019
Discount rate	2.81%	3.88%
Expected long-term rate of return on assets	5.00	5.00

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)

10. Employee Benefit Plans (continued)

The Plan's target asset allocation is designed to meet the Plan liability as split between traditional benefit and cash balance formulas. The target allocation for the traditional benefit portion of the Plan assets was as follows:

	December 31	
	2020	2019
Fixed income	65%	65%
Equity/real assets	35	35
	100%	100%

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

	December 31	
	2020	2019
Fixed income	70%	70%
Equity	18	18
Real assets	2	2
Cash or other highly liquid investments	10	10
	100%	100%

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. 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*.

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

	December 31		Level
	2020	2019	
	<i>(In Thousands)</i>		
Separately-managed accounts			
IR+M fixed income – traditional ^(A) :			
Marketable debt securities:			
U.S. government	\$ 2,288	\$ 2,254	2
Corporate	68,963	67,553	2
Other	4,601	3,679	2
Total IR+M fixed income – traditional	<u>75,852</u>	<u>73,486</u>	
IR+M fixed income – cash balance ^(B) :			
Marketable debt securities:			
U.S. government	2,131	2,189	2
Corporate	51,312	53,020	2
Other	2,545	1,808	2
Total IR+M fixed income – cash balance	<u>55,988</u>	<u>57,017</u>	
Total separately-managed accounts	<u>\$ 131,840</u>	<u>\$ 130,503</u>	

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

	December 31		Level
	2020	2019	
	<i>(In Thousands)</i>		
Mutual funds:			
PIMCO Foreign Bond Fund ^(C)	\$ 2,292	\$ 2,159	1
PIMCO Emerging Market Local Bond Fund ^(D)	1,890	1,850	1
Vanguard Inflation Protected Securities Fund ^(E)	3,500	3,525	1
Wells Fargo International Bond Fund ^(F)	2,099	2,199	1
Dimensional Emerging Markets Fund ^(G)	3,652	3,445	1
American Funds Europacific Growth Fund ^(H)	12,982	10,808	1
Fidelity Real Estate Index Fund ^(I)	4,262	4,807	1
Oakmark International Fund ^(J)	10,664	10,323	1
Artisan High Yield Income ^(K)	4,931	4,474	2
Total mutual funds	<u>46,272</u>	<u>43,590</u>	
Common and collective trust funds:			
Legal and General S&P 500 Index Fund ^(L)	22,204	20,973	NAV
GQG Emerging Markets Fund ^(M)	4,531	3,289	NAV
Wellington Small Capital Opportunities Fund ^(N)	8,179	6,909	NAV
Total common and collective trust funds	<u>34,914</u>	<u>31,171</u>	
Pooled separate accounts:			
Edge Asset Management ^(O)	1,582	1,615	2
Money market fund	326	287	1
Total pooled separate accounts	<u>1,908</u>	<u>1,902</u>	
Total plan assets, at fair value	<u>\$ 214,934</u>	<u>\$ 207,166</u>	

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

- (A) Separately-managed account invested in fixed-income securities, including U.S. government securities, corporate bonds, and other fixed-income strategy investments. The account seeks to perform at a blended index of 45% Barclays U.S. Intermediate Credit and 55% Barclays U.S. Long Credit Index to match the estimated duration of the traditional benefit obligations.
- (B) Separately-managed account invested in fixed-income securities, including U.S. government securities, corporate bonds, and other fixed-income strategy investments. The account seeks to perform at the Barclays U.S. Corporate High Yield Index to match the estimated duration of the cash balance benefit obligations.
- (C) Mutual fund investing primarily in intermediate duration non-U.S. fixed-income securities from investment-grade issuers in developed countries to meet the Barclays Global Aggregate Ex-U.S. Index.
- (D) Mutual fund investing in local currency-denominated emerging markets debt instruments of intermediate duration to meet the JP Morgan Emerging Market Bond Index.
- (E) Mutual fund investing at least 80% of its assets in inflation-indexed bonds issued by the U.S. government and corporations to meet the Bloomberg Barclays U.S. TIPS Index.
- (F) Mutual fund seeking total return by principally investing in foreign debt securities to meet the Barclays Global Aggregate Ex-U.S. Index.
- (G) Mutual fund seeking to achieve long-term capital appreciation by investing in companies in emerging markets to meet the MSCI Emerging Markets Index.
- (H) Mutual fund seeking to provide long-term growth of capital by investing in attractively valued companies in developed and emerging markets to meet the MSCI ACWI Ex-USA Index.
- (I) Mutual fund seeking to provide investment results that correspond to the total return of equity REITs and other real estate-related investments to meet the FTSE NAREIT Equity REITs Index.
- (J) Mutual fund seeking capital appreciation by investing in mid- and large-capitalization companies located outside the U.S. to meet the MSCI ACWI Ex-U.S. Large Value Index.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

- (K) The Fund invests in non-investment grade corporate bonds and secured and unsecured loans of U.S. and non-U.S. issuers with high-quality business models and strives to exceed the Barclays U.S. Corporate High Yield Index.
- (L) Common and collective trust investing in primarily publicly traded U.S. securities to meet the S&P 500 Index.
- (M) Common and collective trust seeks long-term capital appreciation by investing in growth businesses in emerging markets to meet the MSCI Emerging Markets Index.
- (N) Common and collective trust seeks to provide long-term total return by investments in companies with small market capitalizations to meet the Russell 2000 Index.
- (O) Actively managed fund of corporate and municipal fixed-income securities whose return is meant to mirror the Barclays U.S. 1 – 3 Year Credit Bond Index.

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

Cash Flows

The Corporation does not expect to contribute to the Plan in 2021. The following table sets forth the benefit payout projections for the next ten years (in thousands):

Plan year ending December 31:	
2021	\$ 26,930
2022	21,320
2023	17,690
2024	17,720
2025	17,710
2026 – 2030	64,220

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

10. Employee Benefit Plans (continued)

Defined Contribution Plan

403(b)/401(k) Plan

In addition to the Plan, the Corporation also has defined contribution 403(b)/401(k) retirement plans (collectively referred to as Defined Contribution Plans). The 401(k) retirement plan was terminated effective January 1, 2019. Participants were given the option to rollover 401(k) participant account balances to other qualified defined contribution plans, including the Corporation's 403(b) defined contribution plan, if eligible, or receive distributions upon plan liquidation.

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 Defined Contribution Plans 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 Defined Contribution Plans was \$52.8 million and \$47.2 million for the years ended December 31, 2020 and 2019, 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)

11. Functional Expenses

The Corporation, through certain affiliates (principally Norton Hospitals, 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, 2020			
Operating expenses:			
Labor and benefits	\$ 1,245,604	\$ 211,278	\$ 1,456,882
Professional fees	102,601	649	103,250
Drugs and supplies	597,705	57,926	655,631
Fees and special services	76,907	68,645	145,552
Repairs, maintenance, and utilities	40,858	56,700	97,558
Rent and leases	41,568	3,130	44,698
Insurance	29,112	1,432	30,544
Provider tax	24,554	–	24,554
Other	13,455	7,804	21,259
Total operating expenses	<u>2,172,364</u>	<u>407,564</u>	<u>2,579,928</u>
Fixed expenses:			
Depreciation and amortization	95,054	19,848	114,902
Interest expense	49,071	(4,692)	44,379
Interest rate swap benefit, net	–	(934)	(934)
Total fixed expenses	<u>144,125</u>	<u>14,222</u>	<u>158,347</u>
Total expenses	<u><u>\$ 2,316,489</u></u>	<u><u>\$ 421,786</u></u>	<u><u>\$ 2,738,275</u></u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

11. Functional Expenses (continued)

	Health Care Services	Support Services	Total
	<i>(In Thousands)</i>		
Year ended December 31, 2019			
Operating expenses:			
Labor and benefits	\$ 1,101,659	\$ 192,211	\$ 1,293,870
Professional fees	82,091	622	82,713
Drugs and supplies	570,794	34,026	604,820
Fees and special services	61,786	71,726	133,512
Repairs, maintenance, and utilities	40,186	51,378	91,564
Rent and leases	40,954	3,156	44,110
Insurance	23,622	690	24,312
Provider tax	20,130	—	20,130
Other	12,780	9,102	21,882
Total operating expenses	<u>1,954,002</u>	<u>362,911</u>	<u>2,316,913</u>
Fixed expenses:			
Depreciation and amortization	85,403	19,139	104,542
Interest expense	43,720	(2,498)	41,222
Interest rate swap benefit, net	—	(1,655)	(1,655)
Total fixed expenses	<u>129,123</u>	<u>14,986</u>	<u>144,109</u>
Total expenses	<u>\$ 2,083,125</u>	<u>\$ 377,897</u>	<u>\$ 2,461,022</u>

12. 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 \$105.7 million and \$110.6 million at December 31, 2020 and 2019, 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.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

13. Leases

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

The components of net lease expense for the years ended December 31 is as follows:

	2020	2019
	<i>(In Thousands)</i>	
Operating leases:		
Operating lease expense	\$ 30,343	\$ 29,915
Finance leases:		
Amortization of right-of-use assets	5,021	3,827
Interest on finance lease liabilities	3,943	3,749
Total finance lease expense	8,964	7,576
Short-term and variable lease expense	7,483	7,245
Less sublease income	(1,327)	(1,631)
Net lease expense	\$ 45,463	\$ 43,105

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:

		December 31	
Combined Balance Sheet Classification		2020	2019
		<i>(In Thousands)</i>	
Assets:			
Operating leases	Operating lease right-of-use assets, net	\$ 140,637	\$ 183,467
Finance leases	Property and equipment, net	68,491	37,424
Total lease right-of-use assets, net		\$ 209,128	\$ 220,891
Liabilities:			
Current:			
Operating leases	Current portion of operating lease liability	\$ 20,012	\$ 19,506
Finance leases	Current portion of long-term debt	5,311	3,033
Noncurrent:			
Operating leases	Long-term operating lease liability, net of current portion	120,053	163,143
Finance leases	Long-term debt, net of current portion	77,567	45,297
Total lease liabilities		\$ 222,943	\$ 230,979

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

13. Leases (continued)

Other information related to leases for the years ended December 31 is as follows:

	2020	2019
	<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	\$ 3,943	\$ 3,705
Operating cash flows from operating leases	27,272	27,310
Financing cash flows from finance leases	3,797	1,924
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	\$ 14,084	\$ 29,540
Finance leases	10,047	—
Weighted average remaining lease term (in years)		
Operating leases	6.6	8.7
Finance leases	15.1	16.0
Weighted average discount rate		
Operating leases ¹	2.80%	2.98%
Finance leases	5.91	7.78

¹ Upon adoption of ASC 842, *Leases* on January 1, 2019, discount rates used for existing leases were established at January 1, 2019.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

13. Leases (continued)

Commitments relating to non-cancellable operating and finance leases as of December 31, 2020, are as follows:

	<u>Operating</u>	<u>Finance</u>
	<i>(In Thousands)</i>	
2021	\$ 23,677	\$ 9,422
2022	26,142	9,616
2023	23,703	9,796
2024	20,834	9,982
2025	19,197	9,109
Thereafter	40,933	81,607
Total minimum future lease payments	<u>154,486</u>	<u>129,532</u>
Less imputed interest	<u>(14,421)</u>	<u>(46,654)</u>
Total lease liabilities	140,065	82,878
Less current portion	<u>(20,012)</u>	<u>(5,311)</u>
Long-term lease liabilities	<u>\$ 120,053</u>	<u>\$ 77,567</u>

14. 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:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Medicare	25%	23%
Medicaid	17	16
Blue Cross	32	29
Other third-party payors	20	25
Self-pay	6	7
	<u>100%</u>	<u>100%</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

15. Premier Healthcare Alliance, LP

The Corporation exchanged its remaining membership units in Premier Healthcare Alliance, LP (Premier LP), a group purchasing organization (GPO), in 2020. The Corporation continues to participate in the GPO. The membership units in Premier LP previously held by the Corporation had vesting rights over a seven-year period and upon vesting became eligible for exchange into the Class A publicly traded common stock of Premier, Inc. The Corporation accounted for its membership units in Premier LP at December 31, 2019 using the cost method of accounting. The increase in the estimated value of the Corporation's membership units as they vested was considered a vendor incentive under applicable accounting literature, which increased the Corporation's investment in Premier LP and reduced supplies expense over the seven-year vesting period ended in 2020. The Corporation recognized a vendor incentive as a reduction in supplies expense for the common stock vesting of \$9.0 million and \$10.2 million for the years ended December 31, 2020 and 2019, respectively.

The Corporation exchanged 329,728 membership units for 329,728 shares of Class A common stock of Premier, Inc. on both August 11, 2020 and October 31, 2019. These transactions resulted in reclassifications from investment in joint ventures to assets limited as to use in the combined balance sheet of \$11.6 million and \$10.7 million at the respective dates of the transfers. The Class A common stock shares of Premier, Inc. were sold in October and November 2020 and December 2019, respectively.

16. The Regional Health Network of Kentucky and Southern Indiana, LLC

In May 2012, the Corporation entered into a partnership agreement with Lifepoint Hospitals, Inc. to form The Regional Health Network of Kentucky and Southern Indiana, LLC (Regional) for the purpose of acquiring and operating hospitals in southern Indiana and Kentucky, currently Scott County Memorial Hospital and Clark Memorial Hospital.

The Corporation has an ownership interest in Regional of 25% at both December 31, 2020 and 2019, and does not manage or control the operations. The investment is accounted for under the equity method of accounting wherein the Corporation's investment (recorded on a one-month lag) is recorded in investments in joint ventures in the Corporation's combined balance sheets and its share of the income (loss), which is disclosed in Note 1, is reflected in joint venture income in the Corporation's combined statements of operations and changes in net assets.

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

16. The Regional Health Network of Kentucky and Southern Indiana, LLC (continued)

The following is a summary of Regional's assets, liabilities, and equity (from its unaudited financial statements):

	December 31	
	2020	2019
	<i>(In Thousands)</i>	
Assets		
Cash and cash equivalents	\$ 396	\$ 465
Patient accounts receivable	24,405	32,311
Property and equipment, net	47,806	50,259
Other assets	23,552	27,563
Total assets	<u>\$ 96,159</u>	<u>\$ 110,598</u>
Liabilities and equity		
Accounts payable	\$ 9,657	\$ 8,132
Accrued payroll	5,328	8,085
Intercompany	(20,102)	38,046
Other liabilities	30,844	(1,014)
Total liabilities	<u>25,727</u>	<u>53,249</u>
Total equity	70,432	57,349
Total liabilities and equity	<u>\$ 96,159</u>	<u>\$ 110,598</u>

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

16. The Regional Health Network of Kentucky and Southern Indiana, LLC (continued)

The following is a summary of Regional's results of operations (from its unaudited financial statements):

	Year Ended December 31	
	2020	2019
	<i>(In Thousands)</i>	
Revenue	\$ 181,394	\$ 197,094
Operating expenses:		
Labor and benefits	97,207	97,562
Professional fees	5,156	4,242
Supplies	28,084	31,236
Fees and special services	14,426	13,552
Repairs, maintenance, and utilities	11,974	13,709
Rents and leases	1,450	1,491
Insurance	1,365	1,320
Non-income taxes	13,288	9,696
Other	(17,466)	3,315
Total operating expenses	155,484	176,123
Earnings before fixed expenses	25,910	20,971
Fixed expenses:		
Depreciation	6,948	7,051
Interest expense	785	2,758
Management fees	5,462	5,897
Other non-operating gains	(368)	(906)
	12,827	14,800
Income from operations	\$ 13,083	\$ 6,171

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

17. COVID-19 Pandemic

In January 2020, the Secretary of the U.S. Department of Health and Human Services (HHS) declared a public health emergency related to a novel coronavirus known as coronavirus disease 2019 (COVID-19) and, in March 2020, COVID-19 was declared a national emergency in the United States and was declared a global pandemic by the World Health Organization. The effects of the COVID-19 pandemic, which included stock market exchange volatility, various temporary or permanent business closures, event cancellations, supply disruptions, and disruptions to the provision of care as well as the public's seeking of medical care, have and may continue to adversely impact the Corporation as well as the local, regional, national, and global economies. While the Corporation is taking appropriate actions to respond to the COVID-19 pandemic, due to the continued and evolving nature of the COVID-19 pandemic, the ultimate impact to the Corporation is unknown.

CARES Act

In response to the COVID-19 emergency, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020, and established a Public Health and Social Services Emergency Fund (Provider Relief Fund) among other forms of relief, including expansion of the Medicare Accelerated and Advance Payment Program and allowing the deferral of federal employer payroll taxes. The Paycheck Protection Program and Health Care Enhancement Act was enacted on April 24, 2020 and provided additional funding for the Provider Relief Fund.

Provider Relief Fund

Payments from the Provider Relief Fund are intended to compensate health care providers for expenses or lost revenues that are attributable to the COVID-19 pandemic and are not required to be repaid provided the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using the funds to reimburse expenses or losses that other sources are obligated to reimburse. The Corporation received \$112.3 million from HHS as a part of the Provider Relief Funds as of December 31, 2020, of which \$77.9 million was recognized as revenue in CARES Act Provider Relief Funds in the combined statement of operations and changes in net assets for the year ended December 31, 2020. The remaining \$34.4 million was recorded as a refundable advance in accrued expenses and other on the combined balance sheet at December 31, 2020. Certain terms and conditions under the CARES Act are subject to further

Norton Healthcare, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

17. COVID-19 Pandemic (continued)

refinement and changes. The Corporation will continue to monitor compliance with the terms and conditions of the Provider Relief Fund. If unable to attest to or comply with current or future terms and conditions, the ability of the Corporation to retain some or all of the distributions received may be impacted.

Medicare Accelerated and Advance Payments Program

In September 2020, the Corporation received a \$179.8 million advance payment from CMS as part of the Medicare Accelerated and Advance Payment Program, whereby inpatient acute care hospitals and other eligible providers were able to request accelerated payment of up to 100% of their Medicare payment amount for a six-month period to be repaid through the withholding of future Medicare fee-for-service payments. CMS will begin recouping the advance payment one year after receipt of the payment and will withhold 25% of all remittances during the first 11 months of recoupment, and then CMS will increase the withholding to 50% of all remittances during the following 6 months of recoupment. Any remaining balance due 29 months after receipt is to be repaid subject to interest on the outstanding balance. A total of \$31.0 million is estimated to be recouped within one year of December 31, 2020, and is recorded as a contract liability in accrued expenses and other. The remaining \$148.8 million is recorded as a contract liability in other non-current liabilities on the combined balance sheet at December 31, 2020.

Employer Payroll Tax Deferral

The CARES Act allowed for deferred payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with half of the deferred amount due December 31, 2021, and the remaining half due December 31, 2022. The Corporation began deferring payment of its share of the social security payroll tax in April 2020 and, as of December 31, 2020, had deferred \$42.8 million. At December 31, 2020, \$21.4 million is recorded in accrued payroll and related items and \$21.4 million is recorded in other non-current liabilities on the combined balance sheet.

18. Subsequent Events

The Corporation has evaluated and disclosed any subsequent events through April 1, 2021, 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



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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 1, 2021

Norton Healthcare, Inc. and Affiliates

Combining Balance Sheet

December 31, 2020

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	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>									
Current assets:									
Cash and cash equivalents	\$ 261,270	\$ 9	\$ (316)	\$ (248)	\$ 536	\$ 5	\$ 5	\$ -	\$ 261,256
Marketable securities and other investments	271,988	-	-	-	-	-	-	-	271,988
Patient accounts receivable	7,311	223,213	23,470	1,379	-	-	-	-	255,373
Inventory	4,941	59,958	-	1,983	33	65	-	-	66,980
Prepaid expenses and other	48,887	1,440	-	161	36	195	4	-	50,723
Miscellaneous receivables (payables)	12,941	724	643	(43)	-	6,589	5,490	-	26,344
Current portion of assets limited as to use	24,473	-	-	-	-	-	-	-	24,473
Total current assets	631,811	285,344	23,797	118	3,150	7,353	5,564	-	957,137
Assets limited as to use, net of current portion	1,931,779	-	-	-	-	65,767	35,231	-	2,032,777
Property and equipment, net	87,540	910,013	42,314	215,597	1,437	194	-	-	1,257,095
Other assets:									
Investments in joint ventures	21,776	-	4,342	-	33,126	-	-	(34,415)	24,829
Pledges receivable, net	-	-	-	-	-	16,519	7,358	-	23,877
Beneficial interest in trusts held by others	-	-	-	-	-	19,053	8,672	-	27,725
Goodwill and indefinite-lived intangible assets	-	7,446	6,506	-	6,556	-	-	-	20,508
Interest rate swaps asset	8,062	-	-	-	-	-	-	-	8,062
Operating lease right-of-use assets, net	1,523	208	138,906	-	-	-	-	-	140,637
Other assets	(858,889)	1,990,302	(907,627)	(173,802)	(27,653)	1,158	(16)	(422)	23,051
Total other assets	(827,528)	1,997,956	(896,779)	(34,896)	12,029	36,730	16,014	(34,837)	268,689
Total assets	\$ 1,823,602	\$ 3,193,313	\$ (830,668)	\$ 180,819	\$ 16,616	\$ 110,044	\$ 56,809	\$ (34,837)	\$ 4,515,698

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

Norton Healthcare, Inc. and Affiliates

Combining Balance Sheet (continued)

December 31, 2020

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	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	\$ 19,715	\$ 67,968	\$ 3,072	\$ 480	\$ 1,927	\$ 16	\$ 7	\$	\$ 93,185
Accrued expenses and other	44,869	81,881	7,267	190	775	157	5	—	135,144
Current portion of operating lease liability	810	93	—	19,109	—	—	—	—	20,012
Accrued payroll and related items	152,587	5,112	26,989	—	271	—	—	—	184,959
Due (from) to third-party payors, net	(6,719)	23,964	—	—	—	—	—	—	17,245
Accrued interest	12,723	—	—	—	—	—	—	—	12,723
Current portion of long-term debt	36,330	—	—	5,311	—	—	—	—	41,641
Total current liabilities	260,315	179,018	37,328	25,090	2,973	173	12	—	504,909
Other non-current liabilities:									
Pension liability	54,698	—	—	—	—	—	—	—	54,698
Insurance liability	94,096	—	—	—	—	—	—	—	94,096
Long-term operating lease liability, net of current portion	714	115	—	119,224	—	—	—	—	120,053
Other	94,182	157,411	—	4,478	—	2,146	2,198	—	260,415
Total other non-current liabilities	243,690	157,526	—	123,702	—	2,146	2,198	—	529,262
Long-term debt, net of current portion	1,434,878	—	—	77,567	—	—	—	—	1,512,445
Net (deficit) assets:									
Without donor restrictions	(116,125)	2,850,901	(869,653)	(45,544)	13,643	31,336	2,771	(34,837)	1,832,492
With donor restrictions	844	5,868	1,657	4	—	76,389	51,828	—	136,590
Total net (deficit) assets	(115,281)	2,856,769	(867,996)	(45,540)	13,643	107,725	54,599	(34,837)	1,969,082
Total liabilities and net (deficit) assets	\$ 1,823,602	\$ 3,193,313	\$ (830,668)	\$ 180,819	\$ 16,616	\$ 110,044	\$ 56,809	\$ (34,837)	\$ 4,515,698

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

Norton Healthcare, Inc. and Affiliates

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

Year Ended December 31, 2020

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children's Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
Revenue:									
Net patient service revenue	\$ 61,222	\$ 2,046,533	\$ 468,477	\$ -	\$ 38,936	\$ -	\$ -	\$ (12,722)	\$ 2,602,446
CARES Act Provider Relief Funds	5	60,791	16,136	-	1,006	-	-	-	77,938
Other revenue	18,875	11,899	27,320	53,437	5,916	523	847	(69,108)	49,709
Donations and contributions	996	6,841	2,092	-	-	12,197	6,699	(15,269)	13,556
Joint venture income (loss)	-	2,188	-	-	(682)	-	-	-	1,506
Total revenue	81,098	2,128,252	514,025	53,437	45,176	12,720	7,546	(97,099)	2,745,155
Operating expenses:									
Labor and benefits	208,629	716,826	505,802	2,419	20,557	2,016	633	-	1,456,882
Professional fees	585	84,285	22,687	-	-	64	-	(4,371)	103,250
Drugs and supplies	57,408	550,376	39,151	79	8,099	230	288	-	655,631
Fees and special services	67,430	69,604	5,843	1,800	17,235	994	221	(17,575)	145,552
Repairs, maintenance, and utilities	56,696	30,922	5,634	4,022	280	4	-	-	97,558
Rent and leases	13,036	22,920	30,445	37,086	594	97	33	(59,513)	44,698
Insurance	1,125	14,800	13,848	161	303	262	45	-	30,544
Provider tax	-	24,554	-	-	-	-	-	-	24,554
Other	6,026	6,881	5,088	1,464	348	10,756	6,336	(15,640)	21,259
Management allocation	(343,006)	277,106	56,897	4,939	4,064	-	-	-	-
Total operating expenses	67,929	1,798,274	685,395	51,970	51,480	14,423	7,556	(97,099)	2,579,928
Earnings (deficit) before fixed expenses and other gains (losses)	13,169	329,978	(171,370)	1,467	(6,304)	(1,703)	(10)	-	165,227
Fixed expenses:									
Depreciation and amortization	19,841	76,348	7,108	11,432	166	5	2	-	114,902
Interest expense	(4,692)	45,128	-	3,943	-	-	-	-	44,379
Interest rate swap benefit, net	(934)	-	-	-	-	-	-	-	(934)
Total	14,215	121,476	7,108	15,375	166	5	2	-	158,347

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

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

Norton Healthcare, Inc. and Affiliates

	Norton Healthcare, Inc.	Norton Hospitals, Inc. ¹	Community Medical Associates, Inc.	Norton Properties, Inc.	Norton Enterprises, Inc.	The Children's Hospital Foundation, Inc.	Norton Healthcare Foundation, Inc.	Eliminations	Combined Totals
Investment gain	86,451	–	–	–	–	2,132	244	–	88,827
Operating gain (loss)	85,405	208,502	(178,478)	(13,908)	(6,470)	424	232	–	95,707
Non-operating gains (losses):									
Change in net unrealized gains on investments	71,410	–	–	–	–	1,240	170	–	72,820
Change in interest rate swaps value	4,323	–	–	–	–	–	–	–	4,323
Petersdorf Fund grants	(1,483)	–	–	–	–	–	–	–	(1,450)
Net periodic pension cost	(4,389)	–	–	–	–	–	–	–	(4,389)
Other non-operating gains (losses), net	2,770	28	–	15	44	(7)	–	–	2,850
Total non-operating gains	72,631	28	33	15	44	1,233	170	–	74,154
Excess of revenue over expenses	158,036	208,530	(178,445)	(13,893)	(6,426)	1,657	402	–	169,861
Change in pension plan asset and obligation	11,094	–	–	–	–	–	–	–	11,094
Net assets released from restriction for equipment and other	(279)	8,200	227	15	–	543	(191)	–	8,515
Increase (decrease) in net assets without donor restrictions	168,851	216,730	(178,218)	(13,878)	(6,426)	2,200	211	–	189,470

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

Patient service (deficit) margin

Investment gain
Operating gain (loss)

Change in net unrealized gains on investments

Change in interest rate swaps value

Petersdorf Fund grants

Net periodic pension cost

Other non-operating gains (losses), net

Total non-operating gains

Excess of revenue over expenses

Increase (decrease) in net assets without donor restrictions

Change in pension plan asset and obligation

Net assets released from restriction for equipment and other

Increase (decrease) in net assets without donor restrictions

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