

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2012**

Open to Public Inspection

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

**INDIANA HEART HOSPITAL, LLC**

Employer identification number

**35-2123783**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

- 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. N/A
- Applied uniformly to all hospital facilities  Applied uniformly to most hospital facilities  
 Generally tailored to individual hospital facilities
- 3** Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.
- a** Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:
- 100%  150%  200%  Other \_\_\_\_\_%
- b** Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:
- 200%  250%  300%  350%  400%  Other \_\_\_\_\_%
- c** If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria 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," does the organization make it available to the public?
- Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

	Yes	No
1a	X	
1b	X	
2		
3a	X	
3b	X	
4	X	
5a	X	
5b	X	
5c		X
6a	X	
6b	X	

**7 Financial Assistance and Certain Other Community Benefits at Cost**

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Financial Assistance at cost (from Worksheet 1)		2,109	2,678,866		2,678,866	2.79
<b>b</b> Medicaid (from Worksheet 3, column a)		1,343	9,166,224	7,432,338	1,733,886	1.80
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d</b> Total Financial Assistance and Means-Tested Government Programs		3,452	11,845,090	7,432,338	4,412,752	4.59
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)	4	986	754,195	279,108	475,087	0.49
<b>f</b> Health professions education (from Worksheet 5)	2		23,448	9,481	13,967	0.02
<b>g</b> Subsidized health services (from Worksheet 6)						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)						
<b>j</b> Total. Other Benefits	6	986	777,643	288,589	489,054	0.51
<b>k</b> Total. Add lines 7d and 7j	6	4,438	12,622,733	7,720,927	4,901,806	5.10

**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						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** **X** **Yes** **No**

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** **692,593**

3 Enter the estimated amount of the organization's bad debt expense attributable to patents 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** **0**

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** **32,644,304**

6 Enter Medicare allowable costs of care relating to payments on line 5

**6** **39,954,126**

7 Subtract line 6 from line 5. This is the surplus (or shortfall)

**7** **-7,309,822**

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

Cost accounting system  Cost to charge ratio  Other

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year?

**9a** **X** **Yes** **No**

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

**9b** **X** **Yes** **No**

**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 NONE				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				





**Part VII Facility Information (continued)**

**Financial Assistance Policy**

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		

**Billing and Collections**

15	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 actions the hospital facility may take upon non-payment?	X	
16	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 patient's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

**Part VII Facility Information (continued)**

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply): **N/A**
- a  Notified individuals of the financial assistance policy on admission
  - b  Notified individuals of the financial assistance policy prior to discharge
  - c  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
  - d  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
  - e  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

- |   | Yes      | No |
|---|----------|----|
| <b>19</b> Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires 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? ..... | <b>X</b> |    |
| 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 Part VI)  |          |    |
| d <input type="checkbox"/> Other (describe in Part VI)  |          |    |

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

- |  |  |          |
|--|--|----------|
| <b>20</b> Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.   |  |          |
| a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged   |  |          |
| b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged   |  |          |
| c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged  |  |          |
| d <input checked="" type="checkbox"/> Other (describe in Part VI)  |  |          |
| <b>21</b> During the tax year, did the hospital facility charge any of its FAP-eligible individuals, 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? ..... |  | <b>X</b> |
| If "Yes," explain in Part VI.  |  |          |
| <b>22</b> During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? .....  |  | <b>X</b> |
| If "Yes," explain in Part VI.  |  |          |



**Part I** Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

**PART I, LINE 6A - RELATED ORGANIZATION INFORMATION**

A COMMUNITY BENEFIT REPORT IS COMPLETED FOR THE COMMUNITY HEALTH NETWORK AS A WHOLE. INDIANA HEART HOSPITAL, LLC IS INCLUDED WITHIN THE NETWORK COMMUNITY BENEFIT REPORT.

**PART I, LINE 7 - COSTING METHODOLOGY EXPLANATION**

A COST TO CHARGE RATIO WAS UTILIZED TO DETERMINE COSTS FOR LINES A THROUGH C IN THE TABLE. THE COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2. LINES E THROUGH I OF THE TABLE ARE BASED ON ACTUAL INCURRED EXPENSES.

**PART III, LINE 2 - BAD DEBT EXPENSE EXPLANATION**

THE COST TO CHARGE RATIO UTILIZED FOR PURPOSES OF REPORTING BAD DEBT COSTS WAS DERIVED FROM WORKSHEET 2 AND IS BASED ON THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS. IHH UTILIZES AN AUTOMATED SOFTWARE SOLUTION TO ASSIST IN DETERMINING PATIENTS ELIGIBLE FOR FREE CARE. AS A RESULT OF THE IMPLEMENTATION OF THIS AUTOMATED SOLUTION, THERE IS VERY LITTLE BAD DEBT RECORDED FOR PATIENTS WHO WOULD BE ELIGIBLE FOR FREE CARE UNDER THE NETWORK POLICY.

**Part 4 Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

**PART III, LINE 4 - BAD DEBT EXPENSE EXPLANATION**

**THE AUDITED FINANCIAL STATEMENTS CONTAIN THE FOLLOWING TEXT WITHIN THE FOOTNOTES TO DESCRIBE BAD DEBT EXPENSE:**

**THE NETWORK'S ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CONTRACTUAL ADJUSTMENTS. IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE NETWORK ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS, PROVISION FOR BAD DEBTS AND PROVISION FOR CHARITY. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD PARTY COVERAGE, THE NETWORK ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, INCLUDING PATIENT DEDUCTIBLES AND CO-INSURANCE, THE NETWORK RECORDS A PROVISION FOR BAD DEBTS AND CHARITY IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY**

**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
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- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE  
DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF  
NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE  
COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE  
FOR DOUBTFUL ACCOUNTS. FOR CHNW, CHS, VEI AND CHVH ACCOUNTS THAT ARE SENT  
TO COLLECTION COMPANIES THE ACCOUNTS REMAIN AS ACCOUNTS RECEIVABLE ON THE  
BALANCE SHEET. THESE ACCOUNTS ARE NOT WRITTEN OFF UNLESS RETURNED FROM THE  
COLLECTION COMPANY, HOWEVER ARE FULLY RESERVED WITHIN THE ALLOWANCE FOR  
DOUBTFUL ACCOUNTS. AS SUCH THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS  
SIGNIFICANT FOR THIS COMPONENT OF THE ACCOUNTS RECEIVABLE.

THE NETWORK RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH SERVICES  
PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF  
CONTRACTUAL RATES FOR THE SERVICES RENDERED. FOR UNINSURED PATIENTS THAT  
DO NOT QUALIFY FOR CHARITY CARE, THE NETWORK RECOGNIZES REVENUE ON THE  
BASIS OF ITS STANDARD RATES FOR SERVICES PROVIDED OR ON THE BASIS OF  
DISCOUNTED RATES IF IN ACCORDANCE WITH POLICY. ON THE BASIS OF HISTORICAL  
EXPERIENCE, A PORTION OF THE NETWORK'S UNINSURED PATIENTS WILL BE UNABLE OR  
UNWILLING TO PAY FOR THE SERVICES PROVIDED. THUS, THE NETWORK RECORDS A

**Part III Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

**PROVISION FOR BAD DEBTS AND CHARITY RELATED TO UNINSURED PATIENTS IN THE PERIOD THE SERVICES ARE PROVIDED. PATIENT SERVICE REVENUE, NET OF CONTRACTUAL ALLOWANCES, DISCOUNTS AND CHARITY ALLOWANCES RECOGNIZED IN THE PERIOD FROM THESE MAJOR PAYOR SOURCES, IS AS FOLLOWS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011, RESPECTIVELY:**

	THIRD PARTY PAYORS	SELF-PAY	TOTAL ALL PAYORS
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2012

PATIENT SERVICE REVENUE (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS)

\$1,580,962	\$73,759	\$1,654,721
=====	=====	=====

2011

PATIENT SERVICE REVENUE (NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS)

\$1,276,969	\$55,994	\$1,332,963
=====	=====	=====

**BEGINNING JUNE 2012, THE STATE OF INDIANA BEGAN OFFERING VOLUNTARY**

**PARTICIPATION IN THE STATE OF INDIANA'S HOSPITAL ASSESSMENT FEE ("HAF")**

**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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**PROGRAM. THE OFFICE OF MEDICAID PLANNING AND POLICY DEEMED THE PROGRAM TO BE EFFECTIVE RETROACTIVE TO JULY 1, 2011. THE HAF PROGRAM RUNS ON AN ANNUAL CYCLE FROM JULY 1 TO JUNE 30 AND IS EFFECTIVE UNTIL JUNE 30, 2013 WITH OPTIONS TO RENEW THE PROGRAM. THE STATE OF INDIANA IMPLEMENTED THIS PROGRAM TO UTILIZE SUPPLEMENTAL REIMBURSEMENT PROGRAMS FOR THE PURPOSE OF PROVIDING REIMBURSEMENT TO PROVIDERS TO OFFSET A PORTION OF THE COST OF PROVIDING CARE TO MEDICAID AND INDIGENT PATIENTS. THIS PROGRAM IS DESIGNED WITH INPUT FROM CENTERS FOR MEDICARE AND MEDICAID SERVICES AND IS FUNDED WITH A COMBINATION OF STATE AND FEDERAL RESOURCES, INCLUDING FEES OR TAXES LEVIED ON THE PROVIDERS.**

**THE NETWORK RECOGNIZES REVENUES AND RELATED EXPENSES ASSOCIATED WITH THE HAF PROGRAM IN THE PERIOD IN WHICH AMOUNTS ARE ESTIMABLE AND COLLECTION IS REASONABLY ASSURED. REIMBURSEMENT UNDER THE PROGRAM IS REFLECTED AS CONTRA CONTRACTUAL ALLOWANCES WITHIN NET PATIENT SERVICE REVENUE AND THE FEES PAID FOR PARTICIPATION IN THE HAF PROGRAM ARE RECORDED IN SUPPLIES AND OTHER EXPENSES WITHIN THE CONSOLIDATED STATEMENT OF OPERATIONS.**

**AS A RESULT OF PARTICIPATING IN THE PROGRAM, THE NETWORK RECOGNIZED IN 2012**

**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

**HAF RETROACTIVE REIMBURSEMENTS OF \$78,197 [000] AND PAID RETROACTIVE FEES OF \$43,453 [000] RELATED TO THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2012. ON AN ONGOING BASIS, THE FEES AND REIMBURSEMENTS ARE SETTLED MONTHLY.**

**ADJUSTMENTS TO THE ALLOWANCE FOR DOUBTFUL ACCOUNTS ARE MADE AFTER THE NETWORK HAS ANALYZED HISTORICAL CASH COLLECTIONS AND CONSIDERED THE IMPACT OF ANY KNOWN MATERIAL EVENTS. UNCOLLECTIBLE ACCOUNTS ARE WRITTEN-OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AFTER EXHAUSTING COLLECTION EFFORTS. ANY SUBSEQUENT RECOVERIES ARE RECORDED AGAINST THE PROVISION FOR BAD DEBTS.**

**THE NETWORK MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES. THE NETWORK PROVIDES CHARITY CARE TO PATIENTS WHOSE INCOME LEVEL IS BELOW 200% OF THE FEDERAL POVERTY LEVEL. PATIENTS WITH INCOME LEVELS RANGING FROM 200% - 300% OF THE CURRENT YEAR'S FEDERAL POVERTY LEVEL WILL QUALIFY FOR PARTIAL ASSISTANCE DETERMINED BY A SLIDING SCALE. THE NETWORK USES COST AS THE MEASUREMENT BASIS FOR CHARITY CARE DISCLOSURE PURPOSES WITH THE COST BEING IDENTIFIED AS THE DIRECT AND INDIRECT COSTS OF PROVIDING THE CHARITY CARE. CHARITY CARE INCLUDES THE**

**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
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- 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.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

**AMOUNT OF COSTS INCURRED FOR SERVICES AND SUPPLIES FURNISHED UNDER THE CHARITY CARE POLICY AND WAS \$58,163[000] AND \$26,939[000] FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011, RESPECTIVELY. CHARITY CARE COST WAS ESTIMATED ON THE APPLICATION OF THE ASSOCIATED COST-TO-CHARGE RATIOS.**

**PART III, LINE 8 - MEDICARE EXPLANATION**

**PER THE 990 INSTRUCTIONS, THE MEDICARE COST REPORT WAS UTILIZED TO DETERMINE THE MEDICARE SHORTFALL. HOWEVER, THE MEDICARE COST REPORT IS NOT REFLECTIVE OF ALL COSTS ASSOCIATED WITH MEDICARE PROGRAMS SUCH AS PHYSICIAN SERVICES AND SERVICES BILLED VIA FREE STANDING CLINICS. FURTHER, THE MEDICARE COST REPORT EXCLUDES REVENUES AND COSTS OF MEDICARE PART C AND D. THE MEDICARE SHORTFALL ATTRIBUTED TO THOSE AREAS NOT INCLUDED ON THE MEDICARE COST REPORT IS \$2,732,943. AS SUCH, THE TOTAL MEDICARE SHORTFALL FOR ALL MEDICARE PROGRAMS IS \$10,042,765. MEDICARE SHORTFALLS SHOULD BE CONSIDERED AS COMMUNITY BENEFIT BECAUSE MEDICARE REPRESENTS 60.21% OF THE OVERALL PAYER MIX FOR IHH.**

**PART III, LINE 9B - COLLECTION PRACTICES EXPLANATION**

**SEE ATTACHED FINANCIAL ASSISTANCE POLICY.**

**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 3

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SEE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION REPORT

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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 4

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SEE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION REPORT

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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 5C

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SEE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION REPORT

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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 7

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SEE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION REPORT

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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 12H

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SEE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION REPORT

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INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 14G

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THE POLICY IS REFERENCED ON THE BILL.

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**Part I Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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**INDIANA HEART HOSPITAL, LLC, LINE NUMBER 1 - PART V, LINE 20D**

**THE UNINSURED DISCOUNT WAS DETERMINED UTILIZING THE NETWORK'S TOP  
COMMERCIAL PAYORS. UNINSURED DISCOUNTS REPRESENT A STANDARD DISCOUNT ON  
CHARGES AS IT RELATES TO PATIENTS WHO HAVE NO INSURANCE COVERAGE.**

**ADDITIONAL INFORMATION**

**PART VI, ITEMS 2 THROUGH 5 ARE DISCUSSED WITHIN THE ATTACHED COMMUNITY  
BENEFIT REPORT. FOR A COPY OF THIS REPORT, PLEASE CONTACT HOLLY MILLARD AT  
(317) 355-5860.**

**PART VI, ITEM 6 - AFFILIATED HEALTH CARE SYSTEM**

**INDIANA HEART HOSPITAL, LLC ("IHH") IS PART OF AN AFFILIATED HEALTH CARE  
SYSTEM. SEE THE ATTACHED IRS 990 SCHEDULE H SUPPLEMENTAL INFORMATION  
REPORT FOR HOW IHH IS INVOLVED IN PROMOTING THE HEALTH OF THE COMMUNITY IT  
SERVES.**

**PART VI, ITEM 7 - STATE FILING OF COMMUNITY BENEFIT REPORT**

**INDIANA**