

**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2013**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization: **INDIANA UNIVERSITY HEALTH BEDFORD, INC.** Employer identification number: **23-7042323**

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

		Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	<b>1a</b>	X	
<b>b</b> If "Yes," was it a written policy? . . . . .	<b>1b</b>	X	
<b>2</b> 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			
<b>3</b> 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.			
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<b>3a</b>	X	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . . <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<b>3b</b>	X	
<b>c</b> 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.			
<b>4</b> 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"? . . . . .	<b>4</b>	X	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<b>5a</b>	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	<b>5b</b>		X
<b>c</b> 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? . . . . .	<b>5c</b>		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .	<b>6a</b>	X	
<b>b</b> If "Yes," did the organization make it available to the public? . . . . .	<b>6b</b>	X	

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)		1309	1,043,966.		1,043,966.	2.51
<b>b</b> Medicaid (from Worksheet 3, column a)		4000	4,693,979.	1,123,643.	3,570,336.	8.57
<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		5309	5,737,945.	1,123,643.	4,614,302.	11.08
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)	9	5511	24,820.	540.	24,280.	.06
<b>f</b> Health professions education (from Worksheet 5)	3	240	26,776.		26,776.	.06
<b>g</b> Subsidized health services (from Worksheet 6)	1		1,512,769.		1,512,769.	.87
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)	2	90	2,235.		2,235.	.01
<b>j</b> Total Other Benefits	15	5841	1,566,600.	540.	1,566,060.	1.00
<b>k</b> Total. Add lines 7d and 7j.	15	11150	7,304,545.	1,124,183.	6,180,362.	12.08

**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	1	1	8,389.		8,389.	.02
3 Community support	1	39	7,576.		7,576.	.02
4 Environmental improvements	1	400	354.		354.	
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy	1	602	190.		190.	
8 Workforce development						
9 Other						
10 Total	4	1042	16,509.		16,509.	.04

**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? . . . . .	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount. . . . .		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. . . . .		
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) . . . . .	17,358,552.
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	16,273,187.
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	1,085,365.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other	

**Section C. Collection Practices**

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

**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				



Schedule H (Form 990) 2013

**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 facility reporting group IU HEALTH BEDFORD, INC.

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

**Community Health Needs Assessment** (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)

	Yes	No
<b>1</b>	X	
<b>2</b>		
<b>3</b>	X	
<b>4</b>		X
<b>5</b>	X	
<b>6</b>		
<b>7</b>		X
<b>8a</b>		X
<b>8b</b>		
<b>8c</b>		

**1** 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 9.

If "Yes," indicate what the CHNA report describes (check all that apply):

- a  A definition of the community served by the hospital facility
- b  Demographics of the community
- c  Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d  How data was obtained
- e  The health needs of the community
- f  Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g  The process for identifying and prioritizing community health needs and services to meet the community health needs
- h  The process for consulting with persons representing the community's interests
- i  Information gaps that limit the hospital facility's ability to assess the community's health needs
- j  Other (describe in Section C)

**2** Indicate the tax year the hospital facility last conducted a CHNA: 20 1 2

**3** 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

**4** Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C

**5** 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  Hospital facility's website (list url): HTTP://IUHEALTH.ORG/BEDFORD/ABOUT/
- b  Other website (list url):
- c  Available upon request from the hospital facility
- d  Other (describe in Section C)

**6** If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):

- a  Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
- b  Execution of the implementation strategy
- c  Participation in the development of a community-wide plan
- d  Participation in the execution of a community-wide plan
- e  Inclusion of a community benefit section in operational plans
- f  Adoption of a budget for provision of services that address the needs identified in the CHNA
- g  Prioritization of health needs in its community
- h  Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i  Other (describe in Section C)

**7** Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs

**8a** 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)?

**b** If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?

**c** If "Yes" to line 8b, 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** IU HEALTH BEDFORD, INC.

		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? . . . . .		
	10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . .	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u>1</u> <u>0</u> <u>0</u> %	X	
	If "No," explain in Section C the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . .	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>2</u> <u>0</u> <u>0</u> %		
	If "No," explain in Section C the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients? . . . . .	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
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 checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input checked="" type="checkbox"/> Other (describe in Section C)		
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? . . . . .	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
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 checked="" 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 Section C)		
<b>Billing and Collections</b>			
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 individual'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 Section C)		
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 individual's eligibility under the facility's FAP? . . . . .		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
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 Section C)		

Part V Facility Information (continued) IU HEALTH BEDFORD, INC.

- 18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- 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 individuals regarding the individuals' bills
  - d  Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
  - e  Other (describe in Section C)

Policy Relating to Emergency Medical Care

- 19 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? . . . . .
- |    | Yes | No |
|----|-----|----|
| 19 | X   |    |
- If "No," indicate why:
- a  The hospital facility did not provide care for any emergency medical conditions
  - b  The hospital facility's policy was not in writing
  - c  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
  - d  Other (describe in Section C)

Changes to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

- 20 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  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
  - b  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
  - c  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
  - d  Other (describe in Section C)
- 21 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? . . . . .
- |    |  |   |
|----|--|---|
| 21 |  | X |
|----|--|---|
- If "Yes," explain in Section C.
- 22 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? . . . . .
- |    |  |   |
|----|--|---|
| 22 |  | X |
|----|--|---|
- If "Yes," explain in Section C.

DRAFT

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

PART V, SECTION B, LINE 1J - OTHER INFORMATION DESCRIBED IN THE CHNA

HEALTH PROFESSIONAL SHORTAGE AREAS

PART V, SECTION B, LINE 3 - PERSONS TAKEN INTO ACCOUNT IN CONDUCTING CHNA

LOCAL LEADERS WITH A STAKE IN THE COMMUNITY'S HEALTH WERE INVITED TO ATTEND A FOCUS GROUP SESSION HELD AT IU HEALTH BEDFORD HOSPITAL.

ATTENDEES WHO PARTICIPATED IN THE FOCUS GROUP ARE LISTED BELOW: CHRISTINA

LAMETON, MAYOR OF MITCHELL REPRESENTATIVE; JEFF NIKIRK, COMMERCIAL LINES

AGENT, KEACH & GROVE INSURANCE; GARY DORSETT, RECREATION DIRECTOR,

BEDFORD PARKS DEPARTMENT; MARK VICE, PRINCIPAL, PARKVIEW INTERMEDIATE

SCHOOL; PATTY WILLIAMS, CHIEF PROFESSIONAL OFFICER, GIRLS CLUB OF

BEDFORD; SUSAN MILLER, DIRECTOR, BEDFORD PUBLIC LIBRARY.

PART V, SECTION B, LINE 7 - ADDRESSING IDENTIFIED NEEDS

SOCIAL ASSISTANCE IS THE NEED WE HAVE SPENT THE LEAST TIME ADDRESSING,

DUE TO THE NATURE OF THAT NEED AS EXPRESSED BY THE COMMUNITY FOCUS GROUP

FROM OUR 2011 COMMUNITY HEALTH NEEDS ASSESSMENT. THIS NEED WAS IN REGARDS

TO TRANSPORTATION FOR UNDERSERVED STUDENTS FROM AFTER SCHOOL PROGRAMS

LIKE THE BOYS & GIRLS CLUB BACK HOME IN THE EVENINGS. OUR HOSPITAL

LEADERSHIP FELT THAT THIS WAS NOT AN APPROPRIATE TASK FOR THE HOSPITAL TO

UNDERTAKE, AND WE ALSO LACK APPROPRIATE RESOURCES TO DO SO.

PART V, SECTION B, LINE 12I - OTHER FACTORS USED

IU HEALTH BEDFORD RUNS CREDIT SCORING IF THEY DO NOT GET A RESPONSE FROM

PATIENT'S ON THEIR BILL. IF CREDIT SCORE IS BELOW A CERTAIN AMOUNT THE

CLAIM IS WRITTEN OFF TO CHARITY.

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

PART V, SECTION B, LINE 14G - OTHER MEASURES TO PUBLICIZE

IU HEALTH BEDFORD GOES TO GREAT LENGTHS TO ENSURE PATIENTS KNOW THAT IT

TREATS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. ALTHOUGH A

COMPLETE COPY OF THE FINANCIAL ASSISTANCE POLICY IS NOT ATTACHED TO EACH

PATIENT STATEMENT, A PLAIN LANGUAGE SUMMARY IS INCLUDED INSTEAD.

ADDITIONALLY, ON THE BACK OF EACH PATIENT STATEMENT IS A TELEPHONE NUMBER

THAT ALLOWS PATIENTS TO ASK ANY QUESTIONS ABOUT THE POLICY AND REQUEST

FINANCIAL ASSISTANCE.

PART V, SECTION B, LINE 18E - OTHER EFFORTS

DID CREDIT SCORING. IF CREDIT SCORE BELOW A CERTAIN AMOUNT, THEN THE BILL

WAS WRITTEN OFF TO CHARITY.

DRAFT 11-14-2014

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**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? \_\_\_\_\_

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

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DRAFT 11-14-2014

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and 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 CHNAs 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.

PART I, LINE 3C - CRITERIA FOR DETERMINING ELIG. FOR FREE/DISCOUNTED CARE  
CREDIT SCORING IS COMPLETED AND IF THE PATIENT'S SCORE IS A CERTAIN  
AMOUNT OR BELOW THE ACCOUNT IS WRITTEN OFF.

PART I, LINE 6A - COMMUNITY BENEFIT REPORT - RELATED ORGANIZATION  
IU HEALTH BEDFORD'S COMMUNITY BENEFIT INFORMATION IS INCLUDED IN IU  
HEALTH'S (PARENT COMPANY) COMMUNITY BENEFIT REPORT.

PART I, LINE 7, COLUMN (F) - BAD DEBT EXPENSE  
BAD DEBT EXPENSE OF \$3,112,709 WAS EXCLUDED FROM TOTAL EXPENSES IN THE  
CALCULATION OF THE PERCENT OF TOTAL EXPENSE.

PART I, LINE 7 - COSTING METHODOLOGY  
WE USED THE COST TO CHARGE RATIO AS OUR COSTING METHODOLOGY.

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and 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 CHNAs 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.

## PART II - COMMUNITY BUILDING ACTIVITIES

WE SUPPORT COMMUNITY BUILDING ACTIVITIES BY INVOLVEMENT WITH THE ECONOMIC DEVELOPMENT COMMITTEE, THE LOCAL CHAMBER OF COMMERCE AND THE INDIANA STATE DEPARTMENT OF HEALTH LICENSURE COUNCIL. WE ALSO OFFER CAREER EDUCATION AND JOB SHADOWING FOR LOCAL STUDENTS.

## PART III, LINE 2 - METHODOLOGY USED TO DETERMINE BAD DEBT EXPENSE

THE BAD DEBT EXPENSE OF \$748,918 ON SCHEDULE H, PART III, LINE 2 IS REPORTED AT COST.

## PART III, LINE 4 - BAD DEBT EXPENSE FOOTNOTE

THE FOOTNOTE ON ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS APPEARS ON PAGES 19-21 OF THE 2013 CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF INDIANA UNIVERSITY HEALTH, INC. AND SUBSIDIARIES (SEE ATTACHED AFS).

**Part VI Supplemental Information**

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and 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 CHNAs 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.

PART III, LINE 8 - MEDICARE SHORTFALL AND SURPLUS

MANY OF OUR MEDICARE BENEFICIARIES ARE POOR AND WOULD HAVE QUALIFIED FOR THE HOSPITAL'S CHARITY CARE PROGRAM IN ADDITION TO MEDICARE. IF THESE PATIENTS HAD BEEN TREATED AS CHARITY CARE, THE COST OF MEDICAL CARE WOULD HAVE BEEN A COMMUNITY BENEFIT. OUR MEDICARE COST REPORT IS USED TO DETERMINE MEDICARE SURPLUS OR SHORTFALL. WE HAD A SMALL SURPLUS THIS YEAR.

PART III, LINE 9B - DEBT COLLECTION POLICY

THE FIRST STATEMENT LISTS DETAIL BY REVENUE CODE, THE TOTAL BALANCE DUE AND THE DISCOUNTED AMOUNT DUE IF PAID WITHIN 30 DAYS OF STATEMENT DATE. THE FIRST STATEMENT FOR UNINSURED PATIENTS WILL ALSO REFLECT THE UNINSURED DISCOUNT, ACCORDING TO POLICY. STATEMENTS WILL BE AGED BY THE LAST PAYMENT DATE ON THE ACCOUNT. PATIENTS WITH MEDICARE WILL RECEIVE 3 STATEMENTS AFTER THE INITIAL DETAIL STATEMENT. NON-MEDICARE PATIENTS WILL RECEIVE 2 ADDITIONAL STATEMENTS AFTER THE INITIAL DETAIL STATEMENT. ACCOUNTS NOT PAID IN FULL THAT RECEIVE THE 4TH STATEMENT FOR MEDICARE PATIENTS, 3RD STATEMENT NON-MEDICARE WILL BE REFERRED TO A COLLECTION

**Part VI Supplemental Information**

Provide the following information.

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AGENCY. WHEN A PATIENT ESTABLISHES A PAYMENT PLAN, THE STATEMENT PROCESS IS CHANGED TO A MONTHLY REMINDER OF PAYMENT NOW DUE. A 10 DAY EXTENSION FROM THE DUE DATE WILL BE GRANTED TO ALLOW FOR MAILING AND PROCESSING TIME, BEFORE A PAYMENT IS CONSIDERED DELINQUENT. MULTIPLE MISSED PAYMENTS WILL RESULT IN THE ACCOUNT BEING REFERRED TO A COLLECTION AGENCY. WE HAVE A SEPARATE FINANCIAL ASSISTANCE POLICY.

PART VI, LINE 2 - NEEDS ASSESSMENT

OUR NEEDS ASSESSMENT COVERING 2011-2012 WAS DONE BY CORPORATE. THEY COLLABORATED WITH THE FOLLOWING ORGANIZATIONS AND AGENCIES; BEDFORD PARKS DEPARTMENT, BEDFORD PUBLIC LIBRARY, DWA HEALTHCARE COMMUNICATIONS GROUP, GIRLS CLUB OF BEDFORD, IU HEALTH BEDFORD HOSPITAL, KEACH & GROVE INSURANCE AGENCY, OFFICE OF THE MAYOR-MITCHELL, INDIANA, PARKVIEW INTERMEDIATE SCHOOL, VERITE HEALTHCARE CONSULTING, LLC AND THE GENERAL PUBLIC THROUGH AN ONLINE SURVEY. THE KEY CONCLUSIONS WERE THAT LAWRENCE COUNTY HAS EXPERIENCED NO MEASURABLE POPULATION GROWTH SINCE 2000. PROJECTIONS INDICATING A POPULATION THAT WILL BE BOTH DECREASING AND AGING ARE TROUBLING IF ACCURATE. BETWEEN 2000 AND 2007 LAWRENCE COUNTY'S

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MEDIAN HOUSEHOLD INCOME DECLINED. EMPLOYMENT DECREASED 3.8% BETWEEN 2000-2007. HOUSING COSTS ALSO PRESENTED A CHALLENGE FOR MANY IN THE COMMUNITY. RENTERS MUST WORK 77 HOURS PER WEEK IN LAWRENCE COUNTY TO AFFORD A TWO-BEDROOM UNIT AT THE FAIR MARKET RENT. ENGLISH REMAINS THE PRIMARY LANGUAGE SPOKEN BY RESIDENTS IN LAWRENCE COUNTY. THE CHILD ABUSE AND NEGLECT RATE FOR CHILDREN UNDER 17 INCREASED FROM 8.2% IN 2002 TO 9.6% IN 2007.

PART VI, LINE 3 - PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE PATIENTS ARE EDUCATED AND INFORMED OF THE FINANCIAL ASSISTANCE POLICY AT TIME OF SERVICE, THROUGH PHONE CALLS FROM THE PATIENT FINANCIAL STAFF, PAMPHLETS AND COMMUNITY OUTREACH EVENTS. WE GIVE THE PATIENT A FINANCIAL ASSISTANCE APPLICATION TO FILL OUT WHICH CONTAINS DEMOGRAPHIC AND FINANCIAL INFORMATION. IF THE APPLICATION IS NOT RETURNED, WE DO A CREDIT SCORING AND IF THEIR CREDIT IS 600 OR BELOW, THE ACCOUNT IS WRITTEN OFF. WE HAVE A SEPARATE POLICY FOR BAD DEBT COLLECTION THAT IS FOLLOWED ONCE THE DETERMINATION IS MADE THAT THE PATIENT IS NOT ELIGIBLE FOR FINANCIAL ASSISTANCE.

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## PART VI, LINE 4 - COMMUNITY INFORMATION

IU HEALTH BEDFORD SERVES LAWRENCE, ORANGE, MARTIN, GREENE AND JACKSON COUNTIES. ALL COUNTIES REPRESENT 97% CAUCASIAN INDIVIDUALS. THE AVERAGE MEDIAN HOUSEHOLD INCOME WAS \$43,195.

## PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH

WE HAVE COMMUNITY HEALTH FAIRS WHERE WE DO DIABETIC AND CHOLESTEROL SCREENINGS AT A REDUCED COST. WE ALSO HAVE PAP AND MAMMOGRAM CLINICS.

## PART VI, LINE 6 - AFFILIATED HEALTH CARE SYSTEM ROLES

IU HEALTH BEDFORD, INC IS AN AFFILIATE OF INDIANA UNIVERSITY HEALTH, WHICH INCLUDES METHODIST HOSPITAL, INDIANA UNIVERSITY HOSPITAL AND RILEY HOSPITAL FOR CHILDREN. OTHER INDIANA UNIVERSITY HEALTH AFFILIATES INCLUDE:

IU HEATH LA PORTE HOSPITAL, INC.

IU HEALTH STARKE HOSPITAL

IU HEALTH ARNETT, INC.

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REHABILITATION HOSPITAL OF INDIANA

IU HEALTH WEST HOSPITAL

GOSHEN HEALTH SYSTEM

IU HEALTH BLACKFORD HOSPITAL

IU HEALTH TIPTON HOSPITAL

IU HEALTH BALL MEMORIAL HOSPITAL

IU HEALTH NORTH HOSPITAL

IU HEALTH METHODIST HOSPITAL, RILEY

IU HEALTH BLOOMINGTON, INC.

MIDWEST PROTON RADIOTHERAPY INSTITUTE

IU HEALTH PAOLI, INC.

THE IMMEDIATE ADVANTAGES OF BEING AN AFFILIATE OF INDIANA UNIVERSITY

HEALTH INCLUDE CENTRALIZED SERVICES WHICH RESULTS IN A REDUCTION OF

DUPLICATED SERVICES AND LOWERS HEALTH CARE COSTS FOR OUR PATIENTS.

**Part VI Supplemental information**

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PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT

INDIANA

DRAFT 11-14-2014