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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2019 calendar year, or tax year beginning 01-01-2018 , and ending 12-31-2018

B Check if applicable
Address change
Name change
Initial return
Final return/terminated
Amended return
Application pending

C Name of organization
Kenmore Mercy Hospital

Doing business as

Number and street (or P O box if mail is not delivered to street address)
Catholic Health 144 Genesee St

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Buffalo, NY 14203

F Name and address of principal officer
Mark Sullivan
144 Genesee Street Administration
6th Floor
Buffalo, NY 14203

H(a) Is this a group return for subordinates?
H(b) Are all subordinates included?
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

D Employer identification number
16-0762843

E Telephone number
(716) 828-2974

G Gross receipts \$ 181,560,612

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

J Website: ▶ www.chsbuffalo.org

K Form of organization
Corporation Trust Association Other ▶

L Year of formation 1957

M State of legal domicile NY

Part I

Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
The Mission of Kenmore Mercy Hospital, as part of the Catholic Health System (CHS) in Western New York, is to provide quality healthcare services in an acute care setting. Committed to a common mission, the providers of Kenmore Mercy Hospital continue the healing ministry of Jesus, seeking to improve the health of individuals and communities. We provide high quality service that has reverence, compassion, justice, and excellence. The 2018 Community Service Plan can be found at https://www.chsbuffalo.org/about-us/community

2 Check this box ☐ 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 9

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 6

5 Total number of individuals employed in calendar year 2018 (Part V, line 2a) 5 1,516

6 Total number of volunteers (estimate if necessary) 6 978

7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0

7b Net unrelated business taxable income from Form 990-T, line 34 7b 43,951

Revenue

8 Contributions and grants (Part VIII, line 1h) 8 1,317,416 276,746

9 Program service revenue (Part VIII, line 2g) 9 169,349,854 181,936,350

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 10 2,134,755 -602,536

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 11 1,449,936 -49,948

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 12 174,251,961 181,560,612

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 13 0 0

14 Benefits paid to or for members (Part IX, column (A), line 4) 14 0 0

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 15 75,311,615 78,095,911

16a Professional fundraising fees (Part IX, column (A), line 11e) 16a 0 0

16b Total fundraising expenses (Part IX, column (D), line 25) ▶0

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 17 94,107,292 96,145,975

18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) 18 169,418,907 174,241,886

19 Revenue less expenses. Subtract line 18 from line 12 19 4,833,054 7,318,726

Net Assets or Fund Balances

20 Total assets (Part X, line 16) 20 160,498,161 167,922,912

21 Total liabilities (Part X, line 26) 21 121,554,491 119,575,211

22 Net assets or fund balances. Subtract line 21 from line 20 22 38,943,670 48,347,701

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

David P Macholz, Treasurer CHS MS Board

2019-11-01

Date

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2018)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission

The Mission of Kenmore Mercy Hospital, as part of the Catholic Health System (CHS) in Western New York, is to provide quality healthcare services in an acute care setting. Committed to a common mission, the providers of Kenmore Mercy Hospital continue the healing ministry of Jesus, seeking to improve the health of individuals and communities. We provide high quality service that has reverence, compassion, justice, and excellence. The 2018 Community Service Plan can be found at <https://www.chsbuffalo.org/about-us/community>

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 \$ 83,723,073	including grants of \$	(Revenue \$ 103,291,586)
See Additional Data				

4b	(Code)	(Expenses \$ 60,920,490	including grants of \$	(Revenue \$ 75,159,377)
See Additional Data				

4c	(Code)	(Expenses \$ 2,825,087	including grants of \$	(Revenue \$ 3,485,391)
See Additional Data				

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

4e	Total program service expenses ▶	147,468,650
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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)? If "Yes," complete Schedule A	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
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? If "Yes," complete Schedule C, Part II	4 Yes	
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? If "Yes," complete Schedule C, Part III	5	No
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? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
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? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	No
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? If "Yes," complete Schedule D, Part VI	11a Yes	
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? If "Yes," complete Schedule D, Part VII	11b Yes	
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? If "Yes," complete Schedule D, Part VIII	11c	No
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? If "Yes," complete Schedule D, Part IX	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e Yes	
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)? If "Yes," complete Schedule D, Part X	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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? If "Yes," complete Schedule F, Parts I and IV	14b	No
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? If "Yes," complete Schedule F, Parts II and IV	15	No
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? If "Yes," complete Schedule F, Parts III and IV	16	No
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? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	
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? If "Yes," complete Schedule I, Parts I and II	21	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? If "Yes," complete Schedule I, Parts I and III	22	No

Part IV Checklist of Required Schedules (continued)

		Yes	No
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>	23 Yes	
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>	24a Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	No
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?	24c	No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	No
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>	25a	No
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>	25b	No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	No
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, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
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>	30	No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
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>	32	No
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>	33	No
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>	34 Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	No
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>	35b	
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>	36	No
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>	37	No
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	38 Yes	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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	1a 122	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c Yes	

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		2a	1,516			
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	Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?				3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O				3b	Yes	
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		No
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		No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?				5b		No
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		No
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		No
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		No
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		No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				7f		No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?				7g		No
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?				7h		No
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		
9a 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?						
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		No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in 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		No
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		No

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in 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 in Schedule O		
1b	Enter the number of voting members included in 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?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	Yes	
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 in Schedule O.		No

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?		No
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?	Yes	
b	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.	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done.	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
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?		
a	The organization's CEO, Executive Director, or top management official.	Yes	
b	Other officers or key employees of the organization.	Yes	
	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?		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed: _____

18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (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 in Schedule O)

19 Describe in 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.
 David P Macholz VP FinanceCorp Controller CHS 144 Genesee Street Buffalo, NY 14203 (716) 828-2974

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 ☐

□

● 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, or 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

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

[illegible]

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

[illegible]

1b Sub-Total			
c Total from continuation sheets to Part VII, Section A			
d Total (add lines 1b and 1c)	2,285,905	8,127,319	695,870

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 ▶ 55

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

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)	(B)	(C)
Name and business address	Description of services	Compensation
Trimedx LLC 5451 Lakeview Pkwy S Drive Indianapolis, IN 46268	Clinical Engineering Services	1,138,909
Telco Construction Inc 500 Buffalo Rd East Aurora, NY 14052	Construction Services	869,272
Buffalo Niagara Hospitalists 2950 Elmwood Ave/Med Staff Office Kenmore, NY 14217	Physician Services	860,905
AMN Healthcare Inc 2735 Collection Center Drive Chicago, IL 60693	Healthcare Services	729,731
Picone Construction Corporation 10995 Main Street Clarence, NY 14031	Construction Services	654,176

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 ► 27

Form 990 (2018)		Page 9			
Part VIII		Statement of Revenue			
Check if Schedule O contains a response or note to any line in this Part VIII					
		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	276,746		
	g Noncash contributions included in lines 1a - 1f \$				
	h Total. Add lines 1a-1f		276,746		
Program Service Revenue	2a Patient Service Revenue	Business Code			
	b Medicare/Medicaid	900099	129,502,941	129,502,941	
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f		181,936,350		
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		-602,536	170,010
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross rents		(i) Real 484,056	(ii) Personal		
b Less rental expenses		0			
c Rental income or (loss)		484,056			
d Net rental income or (loss)			484,056		484,056
7a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other		
b Less cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)					
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18		a			
b Less direct expenses		b			
c Net income or (loss) from fundraising events					
9a Gross income from gaming activities See Part IV, line 19		a			
b Less direct expenses		b			
c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances		a			
b Less cost of goods sold	b				
c Net income or (loss) from sales of inventory					
Miscellaneous Revenue	Business Code				
11a Shared Service	900099	484,610	484,610		
b DSRIP Revenue	900099	262,278		262,278	
c Net Periodic Pension	900099	-1,658,947	-512,947	-1,146,000	
d All other revenue		378,055		378,055	
e Total. Add lines 11a-11d		-534,004			
12 Total revenue. See Instructions		181,560,612	182,078,023	0	-794,157
Form 990 (2018)					

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, line 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages.	61,462,765	54,937,405	6,525,360	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	2,161,402	1,931,931	229,471	
9 Other employee benefits.	10,095,057	9,023,288	1,071,769	
10 Payroll taxes.	4,376,687	3,912,024	464,663	
11 Fees for services (non-employees):				
a Management.				
b Legal.	78,565	260	78,305	
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).	4,442,577	3,460,146	982,431	
12 Advertising and promotion.	94,241	830	93,411	
13 Office expenses.	4,041,808	1,311,536	2,730,272	
14 Information technology.	86,249	3,389	82,860	
15 Royalties.				
16 Occupancy.	1,797,387	1,348,040	449,347	
17 Travel.	7,223	2,034	5,189	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	13,707	3,829	9,878	
20 Interest.	2,054,701	1,551,724	502,977	
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	7,652,184	5,922,479	1,729,705	
23 Insurance.	1,714,665	1,461,889	252,776	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a Medical Supplies.	38,132,776	38,368,689	-235,913	
b Dues & Shared Services.	25,395,361	18,792,567	6,602,794	
c Purchased Services & Ot.	9,012,962	4,193,821	4,819,141	
d Other Supplies Non Medi.	1,621,569	1,242,769	378,800	
e All other expenses.				
25 Total functional expenses. Add lines 1 through 24e.	174,241,886	147,468,650	26,773,236	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 SheetCheck if Schedule O contains a response or note to any line in this Part IX ☐

				(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing		2,432	1	2,432	
	2	Savings and temporary cash investments		37,154,095	2	48,498,699	
	3	Pledges and grants receivable, net			3		
	4	Accounts receivable, net		20,941,430	4	18,050,959	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5		
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L			6		
	7	Notes and loans receivable, net			7		
	8	Inventories for sale or use		2,825,104	8	2,503,261	
	9	Prepaid expenses and deferred charges		430,940	9	571,006	
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	137,219,609			
	b	Less: accumulated depreciation	10b	81,701,044	57,010,374	10c	55,518,565
	11	Investments—publicly traded securities			11		
	12	Investments—other securities. See Part IV, line 11		23,182,873	12	22,008,441	
	13	Investments—program-related. See Part IV, line 11			13		
	14	Intangible assets			14		
	15	Other assets. See Part IV, line 11		18,950,913	15	20,769,549	
16	Total assets. Add lines 1 through 15 (must equal line 34)		160,498,161	16	167,922,912		
Liabilities	17	Accounts payable and accrued expenses		20,825,418	17	21,573,820	
	18	Grants payable			18		
	19	Deferred revenue			19		
	20	Tax-exempt bond liabilities		22,757,479	20	21,117,315	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21		
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22		
	23	Secured mortgages and notes payable to unrelated third parties		12,263,457	23	12,146,642	
	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		65,708,137	25	64,737,434	
	26	Total liabilities. Add lines 17 through 25		121,554,491	26	119,575,211	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets		38,794,934	27	48,171,148	
	28	Temporarily restricted net assets		148,736	28	176,553	
	29	Permanently restricted net assets			29		
	Organizations that do not follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds			30		
	31	Paid-in or capital surplus, or land, building or equipment fund			31		
	32	Retained earnings, endowment, accumulated income, or other funds			32		
33	Total net assets or fund balances		38,943,670	33	48,347,701		
34	Total liabilities and net assets/fund balances		160,498,161	34	167,922,912		

Part XI Reconciliation of Net AssetsCheck 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	181,560,612
2	Total expenses (must equal Part IX, column (A), line 25)	2	174,241,886
3	Revenue less expenses Subtract line 2 from line 1	3	7,318,726
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	38,943,670
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 in Schedule O)	9	2,085,305
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	48,347,701

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

- 1** Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ 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
☐ Separate basis ☐ Consolidated basis ☐ 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
☐ Separate basis ☒ Consolidated basis ☐ 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 in 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 in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 16-0762843

Name: Kenmore Mercy Hospital

Form 990 (2018)

Form 990, Part III, Line 4a:

Inpatient Routine/Surgery Visits Acute Care Patient Days = 31,343Medical Rehab Patient Days = 4,953Skilled Nursing Patient Days = 53,267IP Surgeries = 3,483

Form 990, Part III, Line 4b:

Outpatient Routine/Surgery Services Emergency Visits (Net of Admits) = 31,251 Referred Ambulatory Visits = 60,438 Operating Room = 2,760 G I Laboratory = 1,551 Interventional Radiology = 1,203 Transfusion/Infusion = 43

Form 990, Part III, Line 4c:

Clinic/Primary Care Services Primary Care Visits = 16,872

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(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			
Joseph McDonald President and CEO, CHS	0 00 55 00	X		X				0	1,217,317	29,530
Mark Sullivan President and CEO, CHS	0 00 55 00	X		X				0	1,126,042	93,913
James Millard President and CEO, Kenmore Mercy	55 00 0 00	X		X				316,719	0	-50,019
Walter Ludwig President and CEO, Kenmore Mercy	55 00 0 00	X		X				296,019	0	49,141
David Macholz Treasurer	0 00 55 00	X		X				0	286,087	33,427
Gary Tucker Director	0 00 55 00	X						0	379,138	49,345
Joyce Markiewicz Director	0 00 55 00	X						0	425,967	78,638
Martin Boryszak Director	0 00 55 00	X						0	371,258	27,945
Brian Beitz Director	0 00 8 00	X						0	0	0
Lynn Catalano Director	0 00 4 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(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			
John Davanzo Director	0 00 4 00	X						0	0	0
Georgiana Ford Esq Director	0 00 4 00	X						0	0	0
Dr Donald J Largo Jr Director	0 00 55 00	X						0	93,606	0
Mary Turkiewicz MD Director	0 00 4 00	X						0	0	0
Katherine Vanderhorst Director	0 00 4 00	X						0	0	0
Monsignor Robert E Zapfel Director	0 00 4 00	X						0	0	0
Charles J Urlaub Director	0 00 55 00	X						0	461,578	45,568
James A Dunlop Jr Executive VP / COO	0 00 55 00			X				0	774,324	18,105
Dr Brian D'Arcy Senior VP, Medical Affairs	0 00 55 00			X				0	559,472	43,350
Dr Michael Galang Sr VP, Chief Information Officer	0 00 55 00				X			0	533,930	33,302

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(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			
Nancy Sheehan SVP Legal Service, General Counsel	0 00 55 00				X			0	393,915	46,854
Dr James Fitzpatrick Physician	55 00 0 00				X			350,392	0	37,676
Dr Michael Edbauer Chief Clincal Officer	0 00 28 00				X			0	508,629	18,325
Maria Foti Sr VP, Strategic Planning	0 00 55 00				X			0	391,140	46,311
Michael Moley Sr VP, Human Resources	0 00 55 00				X			0	604,916	42,703
Dr Thomas Brewer Physician	55 00 0 00					X		294,903	0	23,442
Dr Michael Gough Physician	55 00 0 00					X		317,855	0	30,451
Dr Erik Diringner Physician	55 00 0 00					X		300,726	0	4,086
Cheryl Hayes Director of Nursing	55 00 0 00					X		191,399	0	19,153
Dr Nadia Polataiko Physician	55 00 0 00					X		217,892	0	-25,376

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury

Internal Revenue Service

Name of the organization

Kenmore Mercy Hospital

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 the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Employer identification number

16-0762843

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 **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 33 1/3% 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 33 1/3% 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		
Total						

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)
(Complete only if you checked the box on line 5, 7, 8, or 9 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant ")						
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)2014	(b)2015	(c)2016	(d)2017	(e)2018	(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 five 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 2018 (line 6, column (f) divided by line 11, column (f))	14
15	Public support percentage for 2017 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2018. 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—2017. 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—2018. 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—2017. 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 five 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 2018 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2018. 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—2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of 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>	1	
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>	2	
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>	3a	
b 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>	3b	
c 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>	3c	
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>	4a	
b 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>	4b	
c 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>	4c	
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) 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>	5a	
b 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?	5b	
c Substitutions only. Was the substitution the result of an event beyond the organization's control?	5c	
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>	6	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (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>	7	
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>	8	
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>	9a	
b 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>	9b	
c 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>	9c	
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>	10a	
b 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>	10b	

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 (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		
	11a	
	11b	
	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>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 directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
	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? <i>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.</i>		
	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)? <i>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).</i>		
	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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
	2	
3 By reason of the relationship described in (2), 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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
	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 government entity (see instructions).		
2 Activities Test. Answer (a) and (b) 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? <i>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.</i>		
	2a	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>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.</i>		
	2b	
3 Parent of Supported Organizations. Answer (a) and (b) 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? <i>Provide details in Part VI.</i>		
	3a	
b Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
	3b	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations			
<div><div>1</div><div><input type="checkbox"/></div><div>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</div></div>			
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)	1	
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 (explain in detail in Part VI)		
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 1-1/2% 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 .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 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	<div><div><input type="checkbox"/></div><div>Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)</div></div>		

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	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2018			
a From 2013.			
b From 2014.			
c From 2015.			
d From 2016.			
e From 2017.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2018 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2019. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2014.			
b Excess from 2015.			
c Excess from 2016.			
d Excess from 2017.			
e Excess from 2018.			

Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Part VI

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

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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.

OMB No 1545-0047

2018

Open to Public Inspection

If the organization answered "Yes" on Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" on Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization Kenmore Mercy Hospital	Employer identification number 16-0762843
--	--

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 (grass roots 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

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?

☐ **Yes** ☐ **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) 2015	(b) 2016	(c) 2017	(d) 2018	(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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		8,928
j	Total. Add lines 1c through 1i			8,928
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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 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.

Return Reference	Explanation
Part II-B, Line 1	Other lobbying activities. Lobbying expenses of \$8,928 represent the total of dues paid to national and state associations that is specifically allocable to lobbying. Kenmore Mercy Hospital does not participate in or intervene in (including the publishing or distributing of statement) any political campaign on behalf of (or opposition to) any candidate.

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493305018899									
<div>SCHEDULE D (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div>		<div>Supplemental Financial Statements</div> <div>► 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 the latest information.</div>			<div>OMB No 1545-0047</div> <div>2018</div> <div>Open to Public Inspection</div>								
Name of the organization Kenmore Mercy Hospital				Employer identification number 16-0762843									
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.													
		(a) Donor advised funds		(b) Funds and other accounts									
1		Total number at end of year											
2		Aggregate value of contributions to (during year)											
3		Aggregate value of grants from (during year)											
4		Aggregate value at end of year											
5		Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
6		Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.													
1 Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or education) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space</div>													
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year													
		<div>Held at the End of the Year</div> <table><tr><td>2a</td><td></td></tr><tr><td>2b</td><td></td></tr><tr><td>2c</td><td></td></tr><tr><td>2d</td><td></td></tr></table>				2a		2b		2c		2d	
2a													
2b													
2c													
2d													
a Total number of conservation easements													
b Total acreage restricted by conservation easements													
c Number of conservation easements on a certified historic structure included in (a)													
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register													
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►													
4 Number of states where property subject to conservation easement is located ►													
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>													
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►													
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$													
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>													
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements													
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.													
1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items													
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items <div><div>(i) Revenue included on Form 990, Part VIII, line 1 ► \$</div><div>(ii) Assets included in Form 990, Part X ► \$</div></div>													
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items <div><div>a Revenue included on Form 990, Part VIII, line 1 ► \$</div><div>b Assets included in Form 990, Part X ► \$</div></div>													
For Paperwork Reduction Act Notice, see the Instructions for Form 990.													
		Cat No 52283D		Schedule D (Form 990) 2018									

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 are a 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 programs

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

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

	(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
b	Contributions				
c	Net investment earnings, gains, and losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
3b		

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	235,852			235,852
b Buildings	61,705,510		37,482,260	24,223,250
c Leasehold improvements	21,240,304		5,966,492	15,273,812
d Equipment	52,336,465		37,498,533	14,837,932
e Other	1,701,478		753,759	947,719
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				55,518,565

Schedule D (Form 990) 2018

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) Ascension Investment Management	22,008,441	F
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	22,008,441	

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) Insurance Recoveries	14,172,136
(2) Interest in Net Assets of KMH Foundation, Inc	3,227,108
(3) Due from Affiliates	1,536,005
(4) Other Receivables	1,829,007
(5) Interest in Net Assets of CCD Foundation, Inc	5,293
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	20,769,549

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	
Pension Obligation	31,096,359
Long-Term Portion Of Insurance Liabilities	22,109,548
Due to Affiliates	12,209,776
Asset Retirement Obligation	197,275
Debt Issuance Costs	-875,524
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	64,737,434

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 FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

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

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

1	Total revenue, gains, and other support per audited financial statements	1	181,531,415
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	232,063
e	Add lines 2a through 2d	2e	232,063
3	Subtract line 2e from line 1	3	181,299,352
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	261,260
c	Add lines 4a and 4b	4c	261,260
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	181,560,612

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

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

1	Total expenses and losses per audited financial statements	1	174,137,612
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	475,340
e	Add lines 2a through 2d	2e	475,340
3	Subtract line 2e from line 1	3	173,662,272
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	579,614
c	Add lines 4a and 4b	4c	579,614
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	174,241,886

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	Explanation
See Additional Data Table	

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Supplemental Information

Return Reference	Explanation
Part XI, Line 2d - Other Adjustments	Kenmore Mercy Foundation Activity 232063

Supplemental Information	
Return Reference	Explanation
Part XI, Line 4b - Other Adjustments	Contributions from Kenmore Mercy Foundation to Kenmore 261260

Supplemental Information	
Return Reference	Explanation
Part XII, Line 2d - Other Adjustments	Kenmore Mercy Foundation Expenses (net of eliminations) 475340

Supplemental Information	
Return Reference	Explanation
Part XII, Line 4b - Other Adjustments	KMH Homes Expense 579614

SCHEDULE H (Form 990) Department of the Treasury Internal Revenue Service	<h2 style="margin:0;">Hospitals</h2> <p>► Complete if the organization answered "Yes" on Form 990, Part IV, question 20. ► Attach to Form 990. ► Go to www.irs.gov/Form990EZ for instructions and the latest information.</p>	OMB No 1545-0047 <h1 style="margin:0;">2018</h1> <p>Open to Public Inspection</p>
Name of the organization Kenmore Mercy Hospital		Employer identification number 16-0762843

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	1a	Yes	
b If "Yes," was it a written policy?	1b	Yes	
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</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	Yes	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other 50000 0000000000 %	3b	Yes	
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"?	4	Yes	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
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?	5c		No
6a Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b If "Yes," did the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

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
a Financial Assistance at cost (from Worksheet 1)			1,593,547	39,293	1,554,254	0 890 %
b Medicaid (from Worksheet 3, column a)			31,605,887	21,837,268	9,768,619	5 610 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			33,199,434	21,876,561	11,322,873	6 500 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			866,648		866,648	0 500 %
f Health professions education (from Worksheet 5)			1,820,478		1,820,478	1 040 %
g Subsidized health services (from Worksheet 6)			8,633,035	7,933,309	699,726	0 400 %
h Research (from Worksheet 7)			315,104		315,104	0 180 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			575,745		575,745	0 330 %
j Total. Other Benefits			12,211,010	7,933,309	4,277,701	2 450 %
k Total. Add lines 7d and 7j			45,410,444	29,809,870	15,600,574	8 950 %

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			12,571		12,571	0.010 %
4 Environmental improvements			92,883		92,883	0.050 %
5 Leadership development and training for community members						
6 Coalition building			20,582		20,582	0.010 %
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			126,036		126,036	0.070 %

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		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		
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		
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	30,103,809
6 Enter Medicare allowable costs of care relating to payments on line 5	6	29,821,811
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	281,998
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 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	Yes	
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	Yes	

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?
1

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)

	Other (describe)	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical	Licensed hospital	Facility reporting group
See Additional Data Table										

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)
Kenmore Mercy Hospital**Name of hospital facility or letter of facility reporting group** _____**Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A):** _____

1

Community Health Needs Assessment

	Yes	No
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?	1	No
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	2	No
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)	3 Yes	
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>16</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	5 Yes	
6 a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	No
b 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	6b Yes	
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)	7 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>Part V line 7a page 8</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	8 Yes	
9 Indicate the tax year the hospital facility last adopted an implementation strategy 20 <u>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10 Yes	
a If "Yes" (list url) <u>Part V, line 10a page 8</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
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)?	12a	No
b If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" on 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)**

Kenmore Mercy Hospital

Name of hospital facility or letter of facility reporting group _____

		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	13	Yes	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200 000000000000</u> % and FPG family income limit for eligibility for discounted care of <u>500 000000000000</u> %			
b <input type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input type="checkbox"/> Asset level			
d <input checked="" type="checkbox"/> Medical indigency			
e <input checked="" type="checkbox"/> Insurance status			
f <input checked="" type="checkbox"/> Underinsurance discount			
g <input checked="" type="checkbox"/> Residency			
h <input type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	Yes	
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)	15	Yes	
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 checked="" 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)	16	Yes	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url) <u>https://www.chsbuffalo.org/billing-insurance/financial-assistance</u>			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url) <u>https://www.chsbuffalo.org/sites/default/files/files/billing/catholic-health</u>			
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url) <u>https://www.chsbuffalo.org/sites/default/files/files/billing/catholic-health</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 LEP populations			
j <input checked="" type="checkbox"/> Other (describe in Section C)			

Part V Facility Information (continued)**Billing and Collections**

Kenmore Mercy Hospital

Name of hospital facility or letter of facility reporting group

	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?	17 Yes	
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?	19	No
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 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 b <input type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process c <input type="checkbox"/> Processed incomplete and complete FAP applications d <input type="checkbox"/> Made presumptive eligibility determinations e <input type="checkbox"/> Other (describe in Section C) f <input checked="" 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?	21 Yes	
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)**

Kenmore Mercy Hospital

Name of hospital facility or letter of facility reporting group _____**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** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ 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** ☐ 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** ☒ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C

	Yes	No
22		
23		No
24		No

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, 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.

[illegible]

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? 2

Name and address	Type of Facility (describe)
1 1 - Ken-Ton Family Care 300 Two Mile Creek Road Tonawanda, NY 14150	Extension Clinic Medical Services - Primary Care
2 2 - McAuley Residence 1503 Military Road Kenmore, NY 14217	Long Term Care Clinical Laboratory Service/Radiology - Diagnostic
3	
4	
5	
6	
7	
8	
9	
10	

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 6a	Kenmore Mercy Hospital Community Benefit Report is contained in the annual report prepared by the Catholic Health System

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 7	Costing is a full step down methodology of cost from non-revenue producing departments to revenue producing departments', with assignment of cost to individual charge items based on volume and charge amount. All patient accounts are cost with the same methodology regardless of patient type (inpatient, outpatient, emergency room, etc) or insurance coverage (Medicare, Medicaid, private insurance, uninsured, etc)

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part II, Community Building Activities	Kenmore Mercy Hospital participated in Community Building activities including Community support of \$12,571 Environmental improvements of \$92,883 and Coalition building of \$20,582

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 2	Kenmore Mercy Hospital did not report bad debt on their financial statements, as they adopted ASU 2014-09 Revenue from Contracts with Customers in 2018. Upon adoption, the majority of what was previously classified as provision for bad debts and presented as a reduction to net patient service revenue on the statement of operations and changes in net assets is treated as an implicit price concession that reduces the transaction price, which is reported as net patient service revenue.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 3	Kenmore Mercy Hospital did not report bad debt on their financial statements, as they adopted ASU 2014-09 Revenue from Contracts with Customers in 2018. Upon adoption, the majority of what was previously classified as provision for bad debts and presented as a reduction to net patient service revenue on the statement of operations and changes in net assets is treated as an implicit price concession that reduces the transaction price, which is reported as net patient service revenue.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 4	Kenmore Mercy Hospital does not have a footnote that describes bad debt in the financial statements

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 8	Kenmore Mercy Hospital does not treat Medicare shortfall as a community benefit, as serving Medicare patients is not a differentiating feature of tax-exempt healthcare organizations. The existing community benefit framework allows community benefit programs that serve the Medicare population to be counted in other community benefit categories.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part III, Line 9b	The hospital's collection policies contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance. The hospital has implemented billing and collection practices for patient payment obligations that are fair, consistent, and compliant with state and federal regulations and no extraordinary collection practices are followed.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 2	<p>In addition to its CHNA, Kenmore Mercy Hospital as part of Catholic Health utilizes multiple methods to assess the health care needs of the communities it serves, including *</p> <ul style="list-style-type: none">Evaluations administered by Kenmore Mercy Hospital in coordination with the Catholic Health Community Education Department after each class, workshop, or program it sponsors seeking input on other programs or topics of interest participants would like to seeBased on this feedback, program planners meet with leadership to develop programs or workshops that match community interest/need,* Input from physician community during doctor to doctor education programsBased on this feedback, program planners meet with leadership to develop physician continuing education programs that address gaps in care or other pressing community health needs* Patient, resident and caregiver satisfaction surveys conducted in our hospitals, health centers, and nursing homes and among our home care patients, help alert us to health care needs among our patient population,* Physician and leadership participation in community boards, coalitions and forums to define the health needs of patient populations and seek community solutions,* Surveys conducted among high risk, high need Medicaid populations through our collaborative Health Home Program help alert us to the needs of individuals with developmental disabilities and behavioral health issues,* Participation in NYS Delivery System Reform Incentive Program (DSRIP) with Community Partners of WNY initiatives that look at transforming the care of the Medicaid population,* Information management obtains from administrative data and payer mix to assist in evaluating the health needs and trends of the community, and* Input from Catholic Health Board including Board Committee (e g Mission Integration Committee)

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 3	<p>Catholic Health's Kenmore Mercy Hospital informs and educates patients and persons who may be billed for medical services about their eligibility for assistance under federal, state, or local government programs or our own Healthcare Assistance Program (HAP) in a variety of ways. For example, Kenmore Mercy Hospital, like our other Catholic Health facilities, has posters and brochures available, which include eligibility and contact information for the Patient Financial Services Team. This information is available in admissions areas, emergency rooms, primary care and outpatient rehabilitation centers, the Administrative and Regional Training Center (ARTC) and other areas throughout Catholic Health where eligible patients and family members are likely to be present. This information is also on the website https://www.chsbuffalo.org/billing-insurance/financial-assistance and includes general information, our policy and application and is translated in Spanish and Arabic. In addition, information on financial assistance is included on our website. Kenmore Mercy Hospital also provides information about financial assistance and Healthcare Assistance program (HAP) contact information to patients as part of the intake process and during or within 90 days of their discharge from the hospital via patient statements or outreach. To further assist patients, all patient bills include the following language: "If you need financial assistance, Catholic Health offers a healthcare assistance program to help those in need. For more details please visit www.chsbuffalo.org/financial-assistance, or call our Patient Financial Services Team at (716) 601-3600." For free, confidential assistance in applying for financial assistance, patients can also call our Patient Financial Services team at 716-601-3600. A counselor will work with them to see if they qualify for free or low-cost insurance or other financial assistance. For patients who do not have insurance and need care at a Catholic Health hospital, a registration clerk can put the patient in touch with one of our Certified Application Counselors. Interpreting services are also available for patients who do not speak English. We offer case management services, and our Certified Application Counselors who discuss with patients the availability of various government benefits, such as Medicaid or other state and federal programs, and assist patients and families with eligibility and applications when necessary.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part VI, Line 4	<p>Catholic Health is a not-for-profit integrated healthcare delivery system that operates four acute care operations in Erie County and one in Niagara County. For all intents and purposes, the primary service area for Catholic Health's Erie County based acute care operations is Erie County. In fact, Erie County residents account for 79% of all inpatient volume. Kenmore Mercy Hospital is located in Erie County, which consists of a mix of urban, suburban and rural populations, with about one-third of the population residing in the City of Buffalo. Buffalo is New York State's second largest city, surrounded by a ring of older suburbs. Beyond the first ring suburbs are newer suburban communities and established rural communities. The current population of Erie County is over nine hundred thousand. Erie County is less racially and ethnically diverse than New York State or the rest of the country, and the Non-White populations are concentrated in and immediately around the City of Buffalo. All of the 11 zip codes in Erie County that have a Non-White population of 50% or more are in Buffalo.</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>One of the fundamental reasons for the creation of Catholic Health was to ensure the continued viability of faith-based health care to meet the needs of residents in Erie County and the surrounding communities. The Mission statement of Kenmore Mercy Hospital, as part of Catholic Health - We are called to reveal the healing love of Jesus to those in need further articulates why we exist. Integral to this effort is caring for the needs of those who are poor and disadvantaged. The services provided by Kenmore Mercy Hospital are in response to identified community needs, and reflect the Hospital's emphasis on caring for the underserved. The Hospital collaborates with other charitable organizations and social service agencies (i.e. Catholic Charities, Spectrum Human Services, Evergreen Health Services, Erie County Department of Health, etc.), to maximize its ability to provide needed services to the residents of our region. The governing Board of Directors of Kenmore Mercy Hospital is comprised of community representatives from universities, legal communities, and business leaders. Religious orders are represented, as well as active and retired medical staff members. The Kenmore Mercy Hospital medical staff is considered an "open" medical staff, as any physician can apply for privileges. Each application is reviewed by a vigorous credentialing verification process. The hospitals have robust health professional education programs. Mercy Hospital and Sisters Hospital are physician teaching facilities. All sites participate in teaching programs for other allied health professionals. Our six emergency departments are open to all people regardless of their ability to pay. Our primary care centers are strategically located in areas deemed economically disadvantaged or where other medical services are lacking. Each year, Kenmore Mercy Hospital, as part of Catholic Health touches tens of thousands of area residents through its community health education programs, health screenings, clinical and support services, and community service activities. Most of these programs are free to encourage participation by people from all walks of life. Catholic Health will continue to meet community needs by providing charity care to the uninsured and underinsured, traditional Medicaid services, and community benefit programs, including collaborative community health improvement initiatives, health professional education programs, volunteering and community service activities, and cash and in-kind contributions to community organizations that serve the poor and disadvantaged. In 2018, the Catholic Health System provided more than \$126 million in charity care and community benefit activities to help make our community a healthier place, especially for the poor and underserved. These activities included:</p> <ul style="list-style-type: none"> * Spearheading Project Homeless Connect. An outreach initiative to link homeless individuals and families with medical and other support services, * Supporting charitable and educational organizations, like the Global Health Ministry, United Way, Harvest House, St. Luke's Mission of Mercy, The CRIB Maternity Group Home in Niagara Falls, NY (part of Family & Children Services of Niagara), Care and Share Food Pantry, and the Project Connect Niagara that help the poor and vulnerable in our community, * Hosting numerous health education and screening programs to help people learn their health risks and take steps to improve their health, * Offering a Healthcare Assistance Program to ensure that people without insurance or financial means get the care they need, * Providing health and wellness information in places of worship through our Faith Community Nursing program, * Helping refugees access quality medical care through our Primary Care and School Based Health Centers, including the Mercy Comprehensive Care Center in Buffalo's Old First Ward, * Providing free care and services to those in need, like our "Cribs for Kids" program, which helps families provide a safe sleeping environment for their newborns, * Supporting children and families in need through our Reach Out and Read Program, Backpack Program for Kids, and Bridget Closet (clothes for the needy), * Sponsoring programs at the Mercy Comprehensive Care Center, which serve the local community, including refugees from Burma, Somalia, the Middle East, and Nepal, * Providing services through our Social Work Department, which link patients with necessary services including ESL (English as a Second Language), job opportunities, substance abuse treatment, health care navigators, senior services, insurance information, parenting assistance and more, and * Supporting nationally recognized "green" initiatives to remain good stewards of our natural resources and protect the environment. <p>Additional initiatives that the hospital participates in as part of CHS provide benefit to the community including Advanced Directive / MOLST education, Community Health Fairs, Footprints on the Heart(perinatal</p>

Form and Line Reference	Explanation
Part VI, Line 5	<p>bereavement) , McGowan Grant for Health Care Tabling Events , Marian Building & Springville, OB/GYN Clinics, Medicaid Enrollment Assistance, Neonatal Abstinence Syndrome Program in Mercy, NICU Cuddler Program, Open Access Scheduling, Osteoporosis Screening, Prenatal-perinatal Network of WNY, Quest Fit Testing, Refugee Programs, Transitional contact to Catholic Charities from Primary Care Sites, and Transportation Assistance One of the innovative ways Catholic Health is leading the transformation of healthcare is by supporting other organizations whose work has a direct impact on community health For the third year, Catholic Health has allocated a portion of its net income (\$139,000) for Community Benefit Grants to support programs that serve the poor and disadvantaged and address unmet health needs in our community Recipients of the 2018 Community Benefit Grants include</p> <ul style="list-style-type: none"> * Durham's Central City Baby Caf - \$7,000 * The Canopy of Neighbors Programming to Address Social Isolation - \$12,000 * Buffalo Go Green Healthy Community Fruits & Vegetables Rx Program (FVRx) - \$16,920 * RAHAMA Trauma-informed domestic violence program for Muslim, Immigrant and Refugee Women - \$20,000 * Buffalo United Charter School Moral Focus Focus on Building Up Our Future - \$13,000 * Urban Christian Ministries Brothers With A Purpose - \$18,100 * Catholic Health Neighborhood Legal Services Medical-Legal Partnership - \$25,000 * Ransom House - \$19,780

990 Schedule H, Supplemental Information	
Form and Line Reference	Explanation
Part VI, Line 7, Reports Filed With States	NY

Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Form 990 Schedule H, Part V Section A. Hospital Facilities

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? 1		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	Kenmore Mercy Hospital 2950 Elmwood Ave Kenmore, NY 14217 www.chsbuffalo.org 1404000H	X	X					X		Ambulatory Surgery - Multi Specialty	

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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.

Form and Line Reference	Explanation
Part V, Section A	Audiology O/PCT Scanner Clinic Part Time ServicesClinical Laboratory Services Coronary Care Dental O/P Emergency Department Health Fairs O/P Intensive Care Medical Social Services Medical/Surgical Nuclear Medicine - Diagnostic Nuclear Medicine - Therapeutic Pediatric O/P Pharmaceutical Service Physical Medical Rehabilitation Physical Medicine and Rehabilitation O/PPrimary Medical Care O/P Radiology - Diagnostic Renal Dialysis - Acute Respiratory Care Therapy - Occupational O/P Therapy - Physical O/P Therapy - Speech Language Pathology

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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.

Form and Line Reference	Explanation
Kenmore Mercy Hospital	<p>Part V, Section B, Line 5 Kenmore Mercy Hospital, as part of Catholic Health utilized a variety of sources to develop the health needs assessment to ensure the inclusion of persons who represent the broad interest of the community and have special expertise in, or knowledge of, public health issues and concerns</p> <ul style="list-style-type: none">* Disseminating and promoting the completion of a fifty-seven question survey developed by the Erie County Department of Health to the community at large including Catholic Health's own staff* Two focus groups including representation from a broad range of health care and social service organizations in Erie County* Western New York Community Health Needs Assessment (December 2014) jointly sponsored by the two Performing Provider Systems in the region linked the Delivery System Reform Incentive Program (DSRIP)* 50 patient interviews (verbal survey) targeting individuals utilizing services at Catholic Health clinics operating within federally designated Health Professional Shortage Areas (HPSA) <p>Focus group participants Catholic Charities Brylin Hospitals Erie County DOH P2 Collaborative of WNY City of Buffalo community Physician representation Erie County Department of Health Community Meeting Participants Catholic Health American Cancer Society Cazenovia Recovery Systems Friends of Night People Buffalo Fire Department Northwest Community Center Mid Erie Counseling and Treatment Center American Heart Association Meals on Wheels Evergreen Services Pride Center of Western New York United Way</p> <p>For more information about our CHNA, go to https://www.chsbuffalo.org/mission/social-responsibility-community-benefit</p>

Form 990 Part V Section C Supplemental Information for Part V, Section B.

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.

Form and Line Reference	Explanation
Kenmore Mercy Hospital	Part V, Section B, Line 6b Kenmore Mercy Hospital was conducted with Mercy Hospital and Sisters Hospital and Mount St Mary's Hospital as well as the Erie County Department of Health

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.

Form and Line Reference	Explanation
Kenmore Mercy Hospital	<p>Part V, Section B, Line 11 Through the needs assessment, numerous areas were identified a s important and clearly impact the health of the community Catholic Health identified the "significant" needs as the New York State Department of Health Prevention Agenda prioritie s Within the "priorities", Catholic Health will address numerous health needs as describ ed in the publicly available CHNA report One priority area was prioritized lower and not addressed in the implementation plan Promote a Healthy and Safe Environment Contributing to this lower priority was lack of available funds and potential for less impact upon the community Although, should opportunity arise, with resources available to effectively ad dress this need, Catholic Health will reconsider for incorporation in the future Other nee ds were identified as part of the Community Health Needs Assessments conducted by Erie Cou nty Department of Health, the local DSRIP PPS organizations, and Catholic Health However, a number of those needs were not incorporated into CH's individual 2016-2018 Community He alth Implementation Plans for each of its acute care operations for one or more of the fol lowing reasons *</p> <p>Was not deemed as impactful on the overall health of the community as co mpare to other identified need *</p> <p>Is being targeted or addressed by other entities within t he community *</p> <p>Requires resources that CH does not currently have available without compro mising other important initiatives But, should community circumstances change or addition al resources become available, CH will consider incorporating other initiatives into its p lan Among those additional needs not addressed in the 2016-2018 CHIP are *</p> <p>Need for great er integration of primary care and behavioral health services (being addressed by local PP S organizations via NYS DSRIP *) *</p> <p>Need to address childhood obesity through improved nutr ition especially in urban "food deserts and increased exercise programming for children *</p> <p>Continued need to improve access to smoking cessation programs (Roswell Park Cancer Instit ute leading efforts of local PPS organizations as part of the NYS DSRIP program) *</p> <p>Need to improve educational services to parents in urban areas with regard to asthma management a nd dangers of lead poisoning *</p> <p>Slowing the rate of HIV infection especially within minorit y communities (NYS Prep program with local support from Evergreen)The 2016 Erie County Com munity Health Needs Assessment began by first re-evaluating the needs prioritized in the p revious cycle (2013) and the impact of the projects corresponding to those needs that were selected for implementation Catholic Health's understanding of the communities it serves was then updated by soliciting new input from the public and several community organizati ons as outlined in the Process and Methods section of this report This assessment represe nts a collaborative effort across Catholic Health's facilities as well as with external or ganizations to identify the he</p>

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.

Form and Line Reference	Explanation
Kenmore Mercy Hospital	alth needs of the community and to develop a strategy for addressing them The systematic process used helped identify significant health needs across Catholic Health's Erie County service area including vulnerable and under-represented populations Part V, line 7a page 8 https //www chsbuffalo org/mission/social-responsibility-community-benefit Part V, line 10a, page 8 https //www chsbuffalo org/mission/social-responsibility-community-benefit

Form 990 Part V Section C Supplemental Information for Part V, Section B.	
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.	
Form and Line Reference	Explanation
Kenmore Mercy Hospital	Part V, Section B, Line 16j Includes information in both English and Spanish on all signage and brochures for financial assistance

Schedule J (Form 990)	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 <u>www.irs.gov/Form990</u> for instructions and the latest information.		OMB No 1545-0047
			2018
			Open to Public Inspection
Department of the Treasury Internal Revenue Service	Name of the organization Kenmore Mercy Hospital	Employer identification number 16-0762843	

Part I Questions Regarding Compensation		
	Yes	No
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		
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </div> <div> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) </div> </div>		
b If any of the boxes in 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	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing 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		
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations </div> <div> <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </div> </div>		
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		
a Receive a severance payment or change-of-control payment?	4a Yes	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
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		
a The organization?	5a	No
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III	5b	No
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		
a The organization?	6a	No
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III	6b	No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
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	8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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 are not 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.

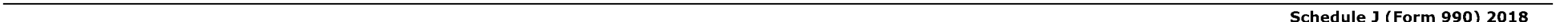
See Additional Data Table

Schedule J (Form 990) 2018

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	Explanation
Part I, Line 4a	Change of Control Payments were made to Joseph McDonald \$618,613 Jim Millard \$305,963. Certain portions of the incentive compensation paid in 2018 are a result of the targets that were achieved in previous years. Deferred compensation reported in 2018 includes both qualified deferred pension compensation, as well as deferred compensation and employer contribution for 403b for certain associates for the amounts that are able to be estimated in 2018. Actual W-2 compensation paid to the executive is as per Schedule J Part II B.



Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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				
Joseph McDonald President and CEO, CHS	(i)	0	0	0	0	0	0	0
	(ii)	124,093	191,491	901,733	8,633	20,897	1,246,847	191,491
Mark Sullivan President and CEO, CHS	(i)	0	0	0	0	0	0	0
	(ii)	695,527	156,198	274,317	65,865	28,048	1,219,955	156,198
James Millard President and CEO, Kenmore Mercy	(i)	8,001	0	308,718	-68,320	18,301	266,700	0
	(ii)	0	0	0	0	0	0	0
Walter Ludwig President and CEO, Kenmore Mercy	(i)	277,875	0	18,144	22,756	26,385	345,160	0
	(ii)	0	0	0	0	0	0	0
David Macholz Treasurer	(i)	0	0	0	0	0	0	0
	(ii)	229,943	47,229	8,915	5,658	27,769	319,514	0
Gary Tucker Director	(i)	0	0	0	0	0	0	0
	(ii)	270,048	72,907	36,183	22,058	27,287	428,483	72,907
Joyce Markiewicz Director	(i)	0	0	0	0	0	0	0
	(ii)	407,828	0	18,139	58,453	20,185	504,605	0
Martin Boryszak Director	(i)	0	0	0	0	0	0	0
	(ii)	354,592	0	16,666	2,824	25,121	399,203	0
Charles J Urlaub Director	(i)	0	0	0	0	0	0	0
	(ii)	423,637	0	37,941	26,189	19,379	507,146	0
James A Dunlop Jr Executive VP / COO	(i)	0	0	0	0	0	0	0
	(ii)	547,002	140,504	86,818	-8,500	26,605	792,429	140,504
Dr Brian D'Arcy Senior VP, Medical Affairs	(i)	0	0	0	0	0	0	0
	(ii)	515,961	0	43,511	16,137	27,213	602,822	0
Dr Michael Galang Sr VP, Chief Information Officer	(i)	0	0	0	0	0	0	0
	(ii)	413,567	102,217	18,146	23,361	9,941	567,232	102,217
Nancy Sheehan SVP Legal Service, General Counsel	(i)	0	0	0	0	0	0	0
	(ii)	374,956	25	18,934	26,085	20,769	440,769	0
Dr James Fitzpatrick Physician	(i)	346,054	0	4,338	18,417	19,259	388,068	0
	(ii)	0	0	0	0	0	0	0
Dr Michael Edbauer Chief Clinclal Officer	(i)	0	0	0	0	0	0	0
	(ii)	173,522	117,972	217,135	10,293	8,032	526,954	321,406
Maria Foti Sr VP, Strategic Planning	(i)	0	0	0	0	0	0	0
	(ii)	299,755	74,394	16,991	36,561	9,750	437,451	74,394
Michael Moley Sr VP, Human Resources	(i)	0	0	0	0	0	0	0
	(ii)	354,293	96,820	153,803	23,426	19,277	647,619	96,820
Dr Thomas Brewer Physician	(i)	276,099	0	18,804	5,971	17,471	318,345	0
	(ii)	0	0	0	0	0	0	0
Dr Michael Gough Physician	(i)	299,062	0	18,793	5,646	24,805	348,306	0
	(ii)	0	0	0	0	0	0	0
Dr Erik Dirnnger Physician	(i)	282,125	0	18,601	3,771	315	304,812	0
	(ii)	0	0	0	0	0	0	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees								
(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				
Cheryl Hayes Director of Nursing	(i)	190,285	0	1,114	18,489	664	210,552	0
	(ii)	0	0	0	0	0	0	0
Dr Nadia Polataiko Physician	(i)	217,191	0	701	-43,243	17,867	192,516	0
	(ii)	0	0	0	0	0	0	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Kenmore Mercy Hospital

Schedule K
(Form 990)

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" to Form 990, Part VI, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Employer identification number

16-0762843

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Dormitory Authority of the State of New York	14-6000293	64983Q5T2	11-29-2006	16,730,000	See Part VI		X		X		X
B Dormitory Authority of the State of New York	14-6000293	649906J62	07-12-2012	14,235,000	See Part VI		X		X		X
C Buffalo and Erie County Industrial Land Development Corporation	22-2413596	SeePartVI	04-30-2015	3,515,000	See Part VI		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	16,730,000		14,235,000		3,898,409			
4	Gross proceeds in reserve funds			954,691					
5	Capitalized interest from proceeds			286,690					
6	Proceeds in refunding escrows					256,629			
7	Issuance costs from proceeds	657,688		563,473		114,244			
8	Credit enhancement from proceeds	99,008							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	15,973,304		12,430,146		3,527,536			
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	1998		2013		2014			
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use												
					A		B		C		D	
					Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?					X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X			X	X			

Part III Private Business Use (Continued)									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X	X			
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?					X			
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 040 %		0 %		3 390 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5	0 040 %		0 %		3 390 %			
7	Does the bond issue meet the private security or payment test? . . .		X		X		X		
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . .								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X		X			X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?						X		
b	Exception to rebate?						X		
c	No rebate due?						X		
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		
b	Name of provider	JP Morgan Chase NA							
c	Term of hedge	1550 0000000000 %							
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?	X							

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X			

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
PART 1 A (F)	To refund the New York State Medical Care Facilities Finance Agency FHA - Insured mortgage Project Revenue Bonds, 1995 Series B, which were applied to finance the construction of a three floor patient tower and to refinance outstanding indebtedness

Return Reference	Explanation
PART 1 B (F)	To finance the cost of construction, reconstruction, and equipping certain improvements to Kenmore's existing approximately 347,661 square foot hospital facility located at 2950 Elmwood Avenue, Kenmore, NY, including a new two-story addition that includes approximately 19,000 square feet on the first floor to house Kenmore's Emergency Department

Return Reference	Explanation
PART IV 4 (E)	The interest rate swap through JP Morgan Chase associated with the 2006 series were unwound and terminated on 11/26/14

Return Reference	Explanation
PART IC (C)	CUSIP # The 2015 Bond Series were issued under numerous CUSIP #s with varying maturity dates The associated CUSIP #s are as follows 11943KBH4, 11943KBJ0, 11943KBK7, 11943KBL5, 11943KBM3, 11943KBN1, 11943KBP6, 11943KBQ4, 11943KBR2, 11943KBS0, 11943KBT8, 11943KBU5, 11943KBV3, 11943KBW1, 11943KBX9, 11943KBY7

Return Reference	Explanation
PART 1C (F)	Description of Purpose To finance the costs associated with the Operating Room Expansion project at Kenmore Mercy Hospital

Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Return Reference	Explanation
PART 1 A (F)	To refund the New York State Medical Care Facilities Finance Agency FHA - Insured mortgage Project Revenue Bonds, 1995 Series B, which were applied to finance the construction of a three floor patient tower and to refinance outstanding indebtedness
PART 1 B (F)	To finance the cost of construction, reconstruction, and equipping certain improvements to Kenmore's existing approximately 347,661 square foot hospital facility located at 2950 Elmwood Avenue, Kenmore, NY,including a new two-story addition that includes approximately 19,000 square feet on the first floor to house Kenmore's Emergency Department
PART IV 4 (E)	The interest rate swap through JP Morgan Chase associated with the 2006 series were unwound and terminated on 11/26/14
PART IC (C)	CUSIP # The 2015 Bond Series were issued under numerous CUSIP #s with varying maturity dates The associated CUSIP #s are as follows 11943KBH4, 11943KBJ0, 11943KBK7, 11943KBL5, 11943KBM3, 11943KBN1, 11943KBP6, 11943KBQ4, 11943KBR2, 11943KBS0, 11943KBT8, 11943KBU5, 11943KBV3, 11943KBW1, 11943KBX9, 11943KBY7
PART 1C (F)	Description of Purpose To finance the costs associated with the Operating Room Expansion project at Kenmore Mercy Hospital

Schedule L

(Form 990 or 990-EZ)

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 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 the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
Kenmore Mercy Hospital

Employer identification number
16-0762843

Part I

Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 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

2

Enter the amount of tax incurred by 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
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

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(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) Susan Urlaub	Wife of Mercy CEO, C J Urlaub	93,874	Corporate Nurse educator		No
(2) Kathleen Zapfel	Sister-in-law of BOD, Msgr Robert Zapfel	63,506	HR Employee of CHS		No
(3) Scott Markiewicz	Son of Key Employee, Joyce Markiewicz	52,480	Supervisor, Father Baker Manor		No
(4) Julie Sullivan	Daughter of Chief Executive Officer	54,655	HR employee, CHS		No
(5) Jacob Tucker	Son of Director, Gary Tucker	5,403	Imaging associate, MSMH		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury

Name of the organization
Kenmore Mercy Hospital

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

2018

Open to Public Inspection

Employer identification number

16-0762843

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	CHS has two members Trinity Health, and the Diocese of Buffalo, NY Each member is able to participate equally in electing the governing body, approving significant decisions of the governing body, and in receiving a share of net assets upon dissolution, according to the CHS Bylaws

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	According to the CHS Bylaws, each member is equally allowed to appoint one representative and one alternative representative to serve on the Corporate Member Council and to serve as a voting director on the Catholic Health System Board of Directors

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	Yes, the corporate members do have reserve powers

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 11b	<p>Yes, an electronic copy of the Form 990 was provided to the CHS Boards of Directors before it was filed. The CHS Board of Directors has delegated the responsibility to review the 990 to the Audit Committee. The CHS Audit Committee reviewed in detail selected information for all CHS entities that file a 990. Reviewed with the Audit Committee:</p> <ul style="list-style-type: none">1 Core Form Part IV Checklist of required schedules2 Core Form Part VI Governance, Management and Disclosure3 Core Form Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees and Independent Contractors4 Schedule H Hospitals5 Schedule K Supplemental information on Tax Exempt Bonds6 Schedule J Compensation Information7 Schedule L Transactions with Interested Persons8 Schedule R Related Organizations and Unrelated Partnerships9 Process for which remaining Core Form was completed, utilizing audited financial information

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	<p>All officers, directors, and key employees complete a Conflict of Interest Disclosure Statement (COIDS) in order to fulfill the annual requirements. COIDS are distributed to all parties, as per applicable policy, and once complete are followed up with as follows:</p> <ol style="list-style-type: none">1. Associate and Physician completed COIDS are reviewed and signed off by the manager. If a disclosure is noted, it is discussed with the manager, and the document is forwarded to the Compliance officer who reviews and follows up as appropriate. Once review/follow up is completed, the Compliance Officer will sign the COIDS, maintain a copy in the compliance office, and return the original to HR for filing in the Personnel file.2. All board member COIDS are returned to Compliance Officer for review and follow up as warranted. The compliance officer will sign each COIDS and retain on file in the compliance office in a confidential manner.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	CHS, in determining the compensation for the CEO, utilizes a process of review and approval, governed by the Board of Directors that includes an outside nationally recognized independent compensation consultant experienced in compensation and benefit matters for non-profit healthcare organizations, and comparability data. In 2018, the Catholic Health System utilized a Compensation Committee of the corporation Directors to monitor the Executive Compensation as per the Executive Compensation Philosophy and Strategy for the CHS CEO and top Senior Executives.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	We make our form 990 open for public inspection upon request. Our website includes an annual report which includes selected financial information. Our financial statements, governing documents and conflict of interest policy are provided upon request according to applicable federal and state laws.

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part XI, line 9	Minimum Pension Liability Adjustment 1614820 Equity Transfer from Affiliates 604197 Change in Temporarily Restricted Interest in Related Foundations 33110 Change in Unrestricted Interest in KMH Foundation, Inc -473223 Interest Rate Swap Adjustment 306401

990 Schedule O, Supplemental Information

Return Reference	Explanation
EXPLANATION OF RETURN	KMH Homes files their own separate 990 return

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Kenmore Mercy Hospital

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

2018

Open to Public Inspection

Employer identification number

16-0762843

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

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.

See Additional Data Table

(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

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	

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

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?

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)

Yes

No

No

Yes

No

No

No

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

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

Schedule R (Form 990) 2018

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.

[illegible]

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 16-0762843
Name: Kenmore Mercy Hospital

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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
144 Genesee Street Buffalo, NY 14203 22-2565278	Health Care Delivery System	NY	501C 3	Schedule A Line 10	N/A		No
565 Abbott Road Buffalo, NY 14220 16-0756336	Acute Care Hospital	NY	501C 3	Schedule A Line 3	Catholic Health System Inc		No
2157 Main Street Buffalo, NY 14214 16-0743187	Acute Care Hospital	NY	501C 3	Schedule A Line 3	Catholic Health System Inc		No
291 North Street Buffalo, NY 14201 16-0813142	Skilled Nursing Facility	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
5539 Broadway Lancaster, NY 14086 16-0743154	Adult Home	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
147 Reist St Williamsville, NY 14221 16-0743153	Skilled Nursing Facility	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
34 Benwood Ave Buffalo, NY 14214 16-1523535	Skilled Nursing Facility	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
319 Washington Avenue Dunkirk, NY 14048 16-0743167	Adult Home	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
6400 Powers Road Orchard Park, NY 14127 16-1434368	Skilled Nursing Facility	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
144 Genesee Street Buffalo, NY 14203 16-1317960	Home Care Provider	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
144 Genesee Street Buffalo, NY 14203 16-1310062	Home Care Provider	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
6350 Transic Road Depew, NY 14043 20-0198518	Home Care Infusion Services	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
55 Melroy Avenue Lackawanna, NY 14218 26-1252884	All-inclusive Care for the Elderly	NY	501C 3	Schedule A Line 3	Catholic Health System Inc		No
2625 Harlem Rd Cheektowaga, NY 14225 27-2576645	Primary Care Provider	NY	501C 3	Schedule A Line 12	Catholic Health System Inc		No
2950 Elmwood Avenue Kenmore, NY 14217 16-1162971	Foundation	NY	501C 3	Schedule A Line 7	Kenmore Mercy Hospital		No
144 Genesee Street Buffalo, NY 14203 16-1387890	Real Estate Holding Company	NY	501C 3	Schedule A Line 10	Catholic Health System Inc		No
5300 Military Road Lewiston, NY 14092 16-1523353	Acute Care Hospital	NY	501C 3	Schedule A Line 3	Catholic Health System Inc		No