

Form **990**  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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  
▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047  
**2017**  
**Open to Public Inspection**

**A For the 2017 calendar year, or tax year beginning 07-01-2017, and ending 06-30-2018**

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

**C** Name of organization  
Sacred Heart Health Services

Doing business as  
Avera Sacred Heart Hospital

Number and street (or P O box if mail is not delivered to street address) Room/suite  
501 Summit Street

City or town, state or province, country, and ZIP or foreign postal code  
Yankton, SD 57078

**F** Name and address of principal officer  
Douglas R Ekeren  
501 Summit Street  
Yankton, SD 57078

**D** Employer identification number  
46-0225483

**E** Telephone number  
(605) 668-8000

**G** Gross receipts \$ 141,398,475

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
If "No," attach a list (see instructions)  
**H(c)** Group exemption number ▶ 0928

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

**J** Website: ▶ [www.averasacredheart.com](http://www.averasacredheart.com)

**K** Form of organization  Corporation  Trust  Association  Other ▶

**L** Year of formation 1911 **M** State of legal domicile SD

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities  
Promotion of Health

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its net assets

|  |       |
|--|-------|
| <b>3</b> Number of voting members of the governing body (Part VI, line 1a)             | 15    |
| <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) | 13    |
| <b>5</b> Total number of individuals employed in calendar year 2017 (Part V, line 2a)  | 1,363 |
| <b>6</b> Total number of volunteers (estimate if necessary)                            | 261   |
| <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12         | 0     |
| <b>7b</b> Net unrelated business taxable income from Form 990-T, line 34               | 0     |

|   | Prior Year  | Current Year |
|---|-------------|--------------|
| <b>8</b> Contributions and grants (Part VIII, line 1h)                                      | 943,887     | 966,366      |
| <b>9</b> Program service revenue (Part VIII, line 2g)                                       | 125,620,739 | 129,437,883  |
| <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)                     | 16,159,759  | 10,647,727   |
| <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)          | -333,615    | -370,984     |
| <b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | 142,390,770 | 140,680,992  |
| <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)                  | 261,829     | 60,000       |
| <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)                     | 0           | 0            |
| <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 60,973,246  | 62,159,460   |
| <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)                    | 0           | 0            |
| <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 293,157                |             |              |
| <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)                      | 61,285,915  | 66,087,656   |
| <b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)          | 122,520,990 | 128,307,116  |
| <b>19</b> Revenue less expenses Subtract line 18 from line 12                               | 19,869,780  | 12,373,876   |

|   | Beginning of Current Year | End of Year |
|---|---------------------------|-------------|
| <b>20</b> Total assets (Part X, line 16)                            | 325,213,601               | 336,401,545 |
| <b>21</b> Total liabilities (Part X, line 26)                       | 61,341,554                | 57,651,198  |
| <b>22</b> Net assets or fund balances Subtract line 21 from line 20 | 263,872,047               | 278,750,347 |

**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 \_\_\_\_\_ Date 2019-05-13  
Jim Breckenridge CFO Avera Health  
Type or print name and title \_\_\_\_\_

**Paid Preparer Use Only**

|  |  |                    |   |                   |
|--|--|--------------------|---|-------------------|
| Print/Type preparer's name<br>Kim Hunwardsen CPA                         | Preparer's signature<br>Kim Hunwardsen CPA | Date<br>2019-05-13 | Check <input type="checkbox"/> if self-employed | PTIN<br>P00484560 |
| Firm's name ▶ Eide Bailly LLP  |  |                    | Firm's EIN ▶ 45-0250958                         |                   |
| Firm's address ▶ 800 Nicollet Mall Ste 1300<br>Minneapolis, MN 554027033 |  |                    | Phone no (612) 253-6500                         |                   |

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

Avera is a health ministry rooted in the Gospel Our mission is to make a positive impact in the lives and health of persons and communities by providing quality services guided by Christian values

**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 \$ 107,829,669 including grants of \$ 60,000 ) (Revenue \$ 129,441,714 )  
See Additional Data






















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

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

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

**4e** Total program service expenses ▶ 107,829,669

**Part IV Checklist of Required Schedules**

|  | Yes | No |
|--|-----|----|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A    | Yes |    |
| <b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?    | Yes |    |
| <b>3</b> 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   |     | No |
| <b>4 Section 501(c)(3) organizations.</b><br>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    | Yes |    |
| <b>5</b> 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    |     | No |
| <b>6</b> 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   |     | No |
| <b>7</b> 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   |     | No |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III    |     | No |
| <b>9</b> 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  | Yes |    |
| <b>10</b> 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    | Yes |    |
| <b>11</b> 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   |     |    |
| <b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI    | Yes |    |
| <b>b</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    | Yes |    |
| <b>c</b> 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    |     | No |
| <b>d</b> 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    |     | No |
| <b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X    | Yes |    |
| <b>f</b> 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   | Yes |    |
| <b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII   |     | No |
| <b>b</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    | Yes |    |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E  |     | No |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?   |     | No |
| <b>b</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   |     | No |
| <b>15</b> 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   |     | No |
| <b>16</b> 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   |     | No |
| <b>17</b> 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)   |     | No |
| <b>18</b> 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    | Yes |    |
| <b>19</b> 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    |     | No |

**Part IV Checklist of Required Schedules** (continued)

|   | Yes | No |
|---|-----|----|
| <b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> . . . . .   | Yes | No |
| <b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .   | Yes |    |
| <b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .  | Yes |    |
| <b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .  | Yes |    |
| <b>23</b> 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> . . . . .   | Yes |    |
| <b>24a</b> 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> . . . . .  |     | No |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .  |     |    |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .   |     |    |
| <b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .  |     |    |
| <b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b><br>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> . . . . .   |     | No |
| <b>b</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> . . . . .   |     | No |
| <b>26</b> 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> . . . . .  |     | No |
| <b>27</b> 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> . . . . .  |     | No |
| <b>28</b> 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)<br><b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .<br><b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .<br><b>c</b> 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> . . . . . | Yes | No |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .   | Yes | No |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .   |     | No |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .   |     | No |
| <b>32</b> 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> . . . . .   |     | No |
| <b>33</b> 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> . . . . .   |     | No |
| <b>34</b> 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> . . . . .   | Yes |    |
| <b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?  | Yes |    |
| <b>b</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> . . . . .   | Yes |    |
| <b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   |     | No |
| <b>37</b> 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> . . . . .  |     | No |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .   | Yes |    |

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question ID, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited transactions, charitable contributions, and organizational details.

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (15), 1b (13), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 17, 18, 19, 20.

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

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

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, 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

| (A)<br>Name and Title                                  | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W- 2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W- 2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|---|--|---|
|  |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |   |  |   |
| (1) Wayne A Kindle<br>Chair                            | 2 00<br>0 00   | X   |                       | X       |              |                              |        | 0   | 0  | 0   |
| (2) Ryan Loecker<br>Vice Chair                         | 2 00<br>0 00   | X   |                       | X       |              |                              |        | 0   | 0  | 0   |
| (3) Sr Jeanne Annette Weber<br>Board Member            | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (4) Richard Strom MD<br>Board Member/Chief of Staff    | 10 00<br>0 00  | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (5) Carolyn Becker<br>Board Member                     | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (6) Kathy Greeneway<br>Board Member                    | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (7) Sr Patrick Leonard Murphy PBVM<br>Board Member     | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (8) Sr Lucille Welbig<br>Board Member                  | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (9) Kevin Bray<br>Board Member                         | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (10) Russ Deidrichsen<br>Board Member                  | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (11) Tim Irwin<br>Board Member                         | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (12) Sr Debra Kolecka OSB<br>Board Member              | 2 00<br>5 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (13) Michael Peterson MD<br>Board Member & Physician   | 40 00<br>0 00  | X   |                       |         |              |                              |        | 597,054   | 0  | 39,647  |
| (14) Michael Pietila MD<br>Board Member & Physician    | 2 00<br>0 00   | X   |                       |         |              |                              |        | 0   | 0  | 0   |
| (15) Douglas Ekeren<br>President & CEO                 | 2 50<br>40 00  | X   |                       | X       |              |                              |        | 0   | 502,279  | 38,156  |
| (16) Jim Breckenridge<br>CFO Avera Health              | 0 10<br>39 90  |   |                       | X       |              |                              |        | 0   | 887,406  | 34,116  |
| (17) Anthony Erickson<br>Exec Director-Senior Services | 40 00<br>0 00  |   |                       |         | X            |                              |        | 182,975   | 0  | 35,706  |

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

| (A)<br>Name and Title   | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (18) Gregory Taylor MD<br>.....<br>Diagnostic Radiology                   | 40 00<br>.....<br>0 00   |   |                       |         |              | X                            |        | 666,978  | 0   | 43,109  |
| (19) Steve Gutnik MD FACP<br>.....<br>Gastroenterology                    | 40 00<br>.....<br>0 00   |   |                       |         |              | X                            |        | 774,773  | 0   | 25,269  |
| (20) Matthew G Winkelbauer MD<br>.....<br>Family Medicine/OB              | 40 00<br>.....<br>0 00   |   |                       |         |              | X                            |        | 546,832  | 0   | 38,410  |
| (21) Naila Qazi<br>.....<br>Physician                                     | 40 00<br>.....<br>0 00   |   |                       |         |              | X                            |        | 614,713  | 0   | 41,971  |
| (22) Wayne Schneidermann MD<br>.....<br>Orthopedic Surgeon                | 40 00<br>.....<br>0 00   |   |                       |         |              | X                            |        | 576,269  | 0   | 24,713  |
| (23) Jamie Schaefer<br>.....<br>Sec/Treas & VP Finance                    | 0 00<br>.....<br>40 00   |   |                       |         |              |                              | X      | 0  | 166,618   | 25,586  |
| <b>1b Sub-Total</b> . . . . .   |  |   |                       |         |              |                              |        |  |   |   |
| <b>1c Total</b> from continuation sheets to Part VII, Section A . . . . . |  |   |                       |         |              |                              |        |  |   |   |
| <b>1d Total</b> (add lines 1b and 1c) . . . . .                           |  |   |                       |         |              |                              |        | 3,959,594  | 1,556,303   | 346,683   |

**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 ▶ 69

|  | Yes   | No |
|--|-------|----|
| <b>3</b> Did the organization list any <b>former</b> 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 |    |
| <b>4</b> 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 |    |
| <b>5</b> 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)<br>Name and business address   | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| Avera Health<br>3900 W Avera Dr<br>Sioux Falls, SD 57108                 | Administrative Services        | 21,409,143          |
| Avera McKennan<br>1325 S Cliff Ave<br>Sioux Falls, SD 57105              | Physician Services             | 1,930,863           |
| Yankton Anesthesiology PC<br>1000 W 4th St Suite 13<br>Yankton, SD 57078 | Anesthesiologists              | 1,070,902           |
| Yankton Medical Clinic PC<br>PO Box 706<br>Yankton, SD 57078             | Physician Services             | 937,586             |
| Jalal U Akbar<br>2405 Brisbane Ln<br>Plano, TX 75075                     | Physician Services             | 500,986             |

**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 ▶ 30



**Part VIII Statement of Revenue**

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

|  |  |  | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under sections<br>512-514 |  |
|--|--|--|----------------------|--|---|--|--|
| <b>Contributions, Gifts, Grants and Other Similar Amounts</b>                | <b>1a</b> Federated campaigns . . .  | <b>1a</b>  |                      |  |   |  |  |
|  | <b>b</b> Membership dues . . .   | <b>1b</b>  |                      |  |   |  |  |
|  | <b>c</b> Fundraising events . . .  | <b>1c</b>  | 50,718               |  |   |  |  |
|  | <b>d</b> Related organizations   | <b>1d</b>  | 246,629              |  |   |  |  |
|  | <b>e</b> Government grants (contributions)   | <b>1e</b>  | 244,547              |  |   |  |  |
|  | <b>f</b> All other contributions, gifts, grants, and similar amounts not included above  | <b>1f</b>  | 424,472              |  |   |  |  |
|  | <b>g</b> Noncash contributions included in lines 1a-1f \$ _____  |  |                      |  |   |  |  |
|  | <b>h Total.</b> Add lines 1a-1f . . . . .  |  |                      | 966,366  |   |  |  |
| <b>Program Service Revenue</b>   |  |  | Business Code        |  |   |  |  |
|  | <b>2a</b> Net patient service revenue  |  | 622110               | 125,934,874  | 125,934,874                             |  |  |
|  | <b>b</b> Pharmacy revenue  |  | 900099               | 536,744  | 536,744                                 |  |  |
|  | <b>c</b> _____   |  |                      |  |   |  |  |
|  | <b>d</b> _____   |  |                      |  |   |  |  |
|  | <b>e</b> _____   |  |                      | 2,966,265  | 2,966,265                               |  |  |
|  | <b>f</b> All other program service revenue   |  |                      |  |   |  |  |
| <b>g Total.</b> Add lines 2a-2f . . . . .                                    |  |  | 129,437,883          |  |   |  |  |
| <b>Other Revenue</b>   | <b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .  |  |                      | 784,801  |   | 784,801  |  |
|  | <b>4</b> Income from investment of tax-exempt bond proceeds  |  |                      |  |   |  |  |
|  | <b>5</b> Royalties . . . . .   |  |                      |  |   |  |  |
|  | <b>6a</b> Gross rents  | (i) Real   | (ii) Personal        |  |   |  |  |
|  |  |  | 284,519              |  |   |  |  |
|  |  | <b>b</b> Less rental expenses                        |                      | 696,848  |   |  |  |
|  |  | <b>c</b> Rental income or (loss)                     |                      | -412,329   |   |  |  |
|  | <b>d</b> Net rental income or (loss) . . . . .   |  |                      | -412,329   |   | -412,329   |  |
|  | <b>7a</b> Gross amount from sales of assets other than inventory   | (i) Securities                                       | (ii) Other           |  |   |  |  |
|  |  |  | 9,862,926            |  |   |  |  |
|  |  | <b>b</b> Less cost or other basis and sales expenses |                      | 0  |   |  |  |
|  |  | <b>c</b> Gain or (loss)                              |                      | 9,862,926  |   |  |  |
|  | <b>d</b> Net gain or (loss) . . . . .  |  |                      | 9,862,926  |   | 9,862,926  |  |
|  | <b>8a</b> Gross income from fundraising events (not including \$ 50,718 of contributions reported on line 1c) See Part IV, line 18 . . . . . | <b>a</b>   |                      |  |   |  |  |
|  | <b>b</b> Less direct expenses . . . . .  | <b>b</b>   |                      | 58,149   |   |  |  |
| <b>c</b> Net income or (loss) from fundraising events . . . . .              |  |  | 20,635               |  |   |  |  |
| <b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . . | <b>a</b>   |  |                      |  |   |  |  |
| <b>b</b> Less direct expenses . . . . .                                      | <b>b</b>   |  |                      |  |   |  |  |
| <b>c</b> Net income or (loss) from gaming activities . . . . .               |  |  |                      | 37,514   |   | 37,514   |  |
| <b>10a</b> Gross sales of inventory, less returns and allowances . . . . .   | <b>a</b>   |  |                      |  |   |  |  |
|  | <b>b</b> Less cost of goods sold . . . . .   | <b>b</b>   |                      |  |   |  |  |
|  | <b>c</b> Net income or (loss) from sales of inventory . . . . .  |  |                      |  |   |  |  |
| Miscellaneous Revenue  | Business Code  |  |                      |  |   |  |  |
| <b>11a</b> A/R Interest Income   |  | 900099   | 3,831                | 3,831  |   |  |  |
| <b>b</b> _____   |  |  |                      |  |   |  |  |
| <b>c</b> _____   |  |  |                      |  |   |  |  |
| <b>d</b> All other revenue . . . . .   |  |  |                      |  |   |  |  |
| <b>e Total.</b> Add lines 11a-11d . . . . .                                  |  |  | 3,831                |  |   |  |  |
| <b>12 Total revenue.</b> See Instructions . . . . .                          |  |  | 140,680,992          | 129,441,714  | 0                                       | 10,272,912   |  |

**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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| <b>1</b> Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21   | 40,000                | 40,000                          |  |                             |
| <b>2</b> Grants and other assistance to domestic individuals See Part IV, line 22  | 20,000                | 20,000                          |  |                             |
| <b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16  |                       |                                 |  |                             |
| <b>4</b> Benefits paid to or for members   |                       |                                 |  |                             |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees  | 864,837               | 642,495                         | 222,342                                |                             |
| <b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   | 129,105               | 129,105                         |  |                             |
| <b>7</b> Other salaries and wages  | 47,769,800            | 45,153,296                      | 2,505,107                              | 111,397                     |
| <b>8</b> Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)   | 1,962,273             | 1,818,284                       | 138,045                                | 5,944                       |
| <b>9</b> Other employee benefits   | 8,020,543             | 7,226,030                       | 775,367                                | 19,146                      |
| <b>10</b> Payroll taxes  | 3,412,902             | 3,184,957                       | 219,300                                | 8,645                       |
| <b>11</b> Fees for services (non-employees)  |                       |                                 |  |                             |
| <b>a</b> Management  |                       |                                 |  |                             |
| <b>b</b> Legal   | 2,739                 |                                 | 2,739                                  |                             |
| <b>c</b> Accounting  | 25,595                |                                 | 25,595                                 |                             |
| <b>d</b> Lobbying  | 15,968                |                                 | 15,968                                 |                             |
| <b>e</b> Professional fundraising services See Part IV, line 17  |                       |                                 |  |                             |
| <b>f</b> Investment management fees  |                       |                                 |  |                             |
| <b>g</b> Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)  | 24,505,955            | 10,212,750                      | 14,292,993                             | 212                         |
| <b>12</b> Advertising and promotion  | 55,816                | 31,548                          | 6,389                                  | 17,879                      |
| <b>13</b> Office expenses  | 2,172,898             | 1,558,657                       | 608,861                                | 5,380                       |
| <b>14</b> Information technology   | 991,292               | 270,252                         | 721,040                                |                             |
| <b>15</b> Royalties  |                       |                                 |  |                             |
| <b>16</b> Occupancy  | 2,357,806             | 2,279,067                       | 78,739                                 |                             |
| <b>17</b> Travel   | 357,589               | 304,608                         | 51,748                                 | 1,233                       |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| <b>19</b> Conferences, conventions, and meetings   | 398,582               | 276,283                         | 117,985                                | 4,314                       |
| <b>20</b> Interest   | 1,857,646             | 1,857,646                       |  |                             |
| <b>21</b> Payments to affiliates   |                       |                                 |  |                             |
| <b>22</b> Depreciation, depletion, and amortization  | 8,245,477             | 8,245,477                       |  |                             |
| <b>23</b> Insurance  | 362,358               | 275,374                         | 86,984                                 |                             |
| <b>24</b> 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.)                                       |                       |                                 |  |                             |
| <b>a</b> Medical Supplies  | 18,308,860            | 18,308,860                      |  |                             |
| <b>b</b> Bad Debt Expense  | 5,189,912             | 5,189,912                       |  |                             |
| <b>c</b> Equipment Lease and Ren   | 281,909               | 187,140                         | 94,769                                 |                             |
| <b>d</b> Licenses and Permits  | 48,777                | 23,827                          | 24,950                                 |                             |
| <b>e</b> All other expenses  | 908,477               | 594,101                         | 195,369                                | 119,007                     |
| <b>25</b> Total functional expenses. Add lines 1 through 24e   | 128,307,116           | 107,829,669                     | 20,184,290                             | 293,157                     |
| <b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) |                       |                                 |  |                             |

**Part X Balance Sheet**

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

|   |   | (A)<br>Beginning of year |             | (B)<br>End of year |
|---|---|--------------------------|-------------|--------------------|
| <b>Assets</b>   | <b>1</b> Cash—non-interest-bearing . . . . .  |                          | <b>1</b>    |                    |
|   | <b>2</b> Savings and temporary cash investments . . . . .   | 5,847,797                | <b>2</b>    | 3,023,627          |
|   | <b>3</b> Pledges and grants receivable, net . . . . .   |                          | <b>3</b>    |                    |
|   | <b>4</b> Accounts receivable, net . . . . .   | 18,434,942               | <b>4</b>    | 25,169,274         |
|   | <b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .   |                          | <b>5</b>    |                    |
|   | <b>6</b> 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 . . . . . |                          | <b>6</b>    |                    |
|   | <b>7</b> Notes and loans receivable, net . . . . .  | 845,245                  | <b>7</b>    | 1,168,280          |
|   | <b>8</b> Inventories for sale or use . . . . .  | 2,642,560                | <b>8</b>    | 2,483,341          |
|   | <b>9</b> Prepaid expenses and deferred charges . . . . .  | 1,840,916                | <b>9</b>    | 1,319,871          |
|   | <b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D  | 191,517,564              |             |                    |
|   | <b>b</b> Less accumulated depreciation  | 111,889,852              |             |                    |
|   |   | 85,601,148               | <b>10c</b>  | 79,627,712         |
|   | <b>11</b> Investments—publicly traded securities . . . . .  | 7,239,447                | <b>11</b>   |                    |
|   | <b>12</b> Investments—other securities See Part IV, line 11 . . . . .   | 195,665,057              | <b>12</b>   | 216,508,428        |
|   | <b>13</b> Investments—program-related See Part IV, line 11 . . . . .  |                          | <b>13</b>   |                    |
|   | <b>14</b> Intangible assets . . . . .   | 6,537,503                | <b>14</b>   | 6,537,503          |
| <b>15</b> Other assets See Part IV, line 11 . . . . .                         | 558,986   | <b>15</b>                | 563,509     |                    |
| <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . . | 325,213,601   | <b>16</b>                | 336,401,545 |                    |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses . . . . .   | 10,677,175               | <b>17</b>   | 8,528,710          |
|   | <b>18</b> Grants payable . . . . .  |                          | <b>18</b>   |                    |
|   | <b>19</b> Deferred revenue . . . . .  | 153,681                  | <b>19</b>   | 120,971            |
|   | <b>20</b> Tax-exempt bond liabilities . . . . .   | 49,016,362               | <b>20</b>   | 47,520,620         |
|   | <b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D  | 23,903                   | <b>21</b>   | 116,613            |
|   | <b>22</b> 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 . . . . .   |                          | <b>22</b>   |                    |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .  |                          | <b>23</b>   |                    |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .  |                          | <b>24</b>   |                    |
|   | <b>25</b> 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  | 1,470,433                | <b>25</b>   | 1,364,284          |
|   | <b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .  | 61,341,554               | <b>26</b>   | 57,651,198         |
| <b>Net Assets or Fund Balances</b>  | <b>27 Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b><br>Unrestricted net assets  | 251,556,306              | <b>27</b>   | 265,663,805        |
|   | <b>28</b> Temporarily restricted net assets . . . . .   | 11,637,441               | <b>28</b>   | 12,373,467         |
|   | <b>29</b> Permanently restricted net assets   | 678,300                  | <b>29</b>   | 713,075            |
|   | <b>30 Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b><br>Capital stock or trust principal, or current funds . . . . .  |                          | <b>30</b>   |                    |
|   | <b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .   |                          | <b>31</b>   |                    |
|   | <b>32</b> Retained earnings, endowment, accumulated income, or other funds  |                          | <b>32</b>   |                    |
|   | <b>33 Total net assets or fund balances . . . . .</b>   | 263,872,047              | <b>33</b>   | 278,750,347        |
|   | <b>34 Total liabilities and net assets/fund balances . . . . .</b>  | 325,213,601              | <b>34</b>   | 336,401,545        |

**Part XI Reconciliation of Net Assets**

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

|           |   |           |             |
|-----------|---|-----------|-------------|
| <b>1</b>  | Total revenue (must equal Part VIII, column (A), line 12)   | <b>1</b>  | 140,680,992 |
| <b>2</b>  | Total expenses (must equal Part IX, column (A), line 25)  | <b>2</b>  | 128,307,116 |
| <b>3</b>  | Revenue less expenses Subtract line 2 from line 1   | <b>3</b>  | 12,373,876  |
| <b>4</b>  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | <b>4</b>  | 263,872,047 |
| <b>5</b>  | Net unrealized gains (losses) on investments  | <b>5</b>  | 3,210,890   |
| <b>6</b>  | Donated services and use of facilities  | <b>6</b>  |             |
| <b>7</b>  | Investment expenses   | <b>7</b>  |             |
| <b>8</b>  | Prior period adjustments  | <b>8</b>  |             |
| <b>9</b>  | Other changes in net assets or fund balances (explain in Schedule O)  | <b>9</b>  | -706,466    |
| <b>10</b> | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | <b>10</b> | 278,750,347 |

**Part XII Financial Statements and Reporting**

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

|   |           | Yes | No |
|---|-----------|-----|----|
| <p><b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____</p> <p>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O</p>   |           |     |    |
| <p><b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?</p> <p>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</p> <p><input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p> | <b>2a</b> |     | No |
| <p><b>b</b> Were the organization's financial statements audited by an independent accountant?</p> <p>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</p> <p><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p>                 | <b>2b</b> | Yes |    |
| <p><b>c</b> 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?</p> <p>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O</p>   | <b>2c</b> | Yes |    |
| <p><b>3a</b> 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?</p>   | <b>3a</b> |     | No |
| <p><b>b</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</p>  | <b>3b</b> |     |    |

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 46-0225483

**Name:** Sacred Heart Health Services

Form 990 (2017)

---

### Form 990, Part III, Line 4a:

Avera Sacred Heart's mission is to provide healthcare services to Yankton, South Dakota residents and residents of the surrounding area. Avera Sacred Heart is a 501(c)(3) organization affiliated with Avera Health. Avera Sacred Heart consists of a 100-bed hospital and a 187-bed nursing home, congregate housing facility and a hospice house in Yankton, SD, a 23-bed critical access hospital and a 47-bed nursing home in Creighton, NE, and 15 physician clinics. The physician clinics include primary care, ob/gyn, pediatrics, orthopedics, general surgery, internal medicine, radiation, radiology, oncology, podiatry, therapy, dialysis, behavioral health, and palliative care. Avera Sacred Heart provides acute care and long-term healthcare services, of which there were 3,462 patient discharges, 91,169 outpatient visits, 1,477 swing-bed patient days, 1,693 nursery patient days, 82,535 nursing home resident days, and 44,516 clinic visits. Following is a breakdown of these statistics by facility: Avera Sacred Heart Hospital: 3,343 Acute patient discharges, 79,731 Outpatient visits, 732 Swing-bed patient days, 1,693 Newborn patient days, 24,453 Clinic visits; Avera Sacred Heart Majestic Bluffs: 66,824 Long-term care resident days; Avera Creighton Hospital (CAH): 119 Acute patient discharges, 11,438 Outpatient visits, 745 Swing-bed patient days, 20,063 Clinic visits; Avera Creighton Care Centre: 15,711 Long-term care resident days. Avera Sacred Heart maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of charges foregone, based on established rates, were \$4,521,620. Avera Sacred Heart also provides community benefit health activities at less than or at no cost to support those in the area serviced, see Schedule H. As a member of the Avera Health Network, Avera Sacred Heart upholds the vision of the Presentation and Benedictine Sisters to work through collaboration to provide quality, effective health ministry and to improve the healthcare of individuals and our communities through a regionally integrated network of persons and institutions. Avera Sacred Heart engages in activities designed to improve the health of individuals and communities in response to a calling to heal the sick, the elderly, and the oppressed.

---

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

**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.

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Name of the organization**  
Sacred Heart Health Services

**Employer identification number**

46-0225483

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ) )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university \_\_\_\_\_
- 10  An organization that normally receives (1) more than 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 |   |   |
|                                    |          |  |   |    |   |   |
| <b>Total</b>                       |          |  |   |    |   |   |

**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<br>(or fiscal year beginning in) ►  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017 | (f) Total |
|----------|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> | Gifts, grants, contributions, and membership fees received (Do not include any "unusual grant")   |          |          |          |          |          |           |
| <b>2</b> | Tax revenues levied for the organization's benefit and either paid to or expended on its behalf   |          |          |          |          |          |           |
| <b>3</b> | The value of services or facilities furnished by a governmental unit to the organization without charge   |          |          |          |          |          |           |
| <b>4</b> | <b>Total.</b> Add lines 1 through 3   |          |          |          |          |          |           |
| <b>5</b> | 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) |          |          |          |          |          |           |
| <b>6</b> | <b>Public support.</b> Subtract line 5 from line 4  |          |          |          |          |          |           |

**Section B. Total Support**

|           | Calendar year<br>(or fiscal year beginning in) ►   | (a)2013 | (b)2014 | (c)2015 | (d)2016 | (e)2017   | (f)Total |
|-----------|--|---------|---------|---------|---------|-----------|----------|
| <b>7</b>  | Amounts from line 4  |         |         |         |         |           |          |
| <b>8</b>  | Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |         |         |         |         |           |          |
| <b>9</b>  | Net income from unrelated business activities, whether or not the business is regularly carried on                             |         |         |         |         |           |          |
| <b>10</b> | Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI )                                 |         |         |         |         |           |          |
| <b>11</b> | <b>Total support.</b> Add lines 7 through 10   |         |         |         |         |           |          |
| <b>12</b> | Gross receipts from related activities, etc (see instructions)   |         |         |         |         | <b>12</b> |          |

**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** . . . . .

**Section C. Computation of Public Support Percentage**

|           |  |           |  |
|-----------|--|-----------|--|
| <b>14</b> | Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) | <b>14</b> |  |
| <b>15</b> | Public support percentage for 2016 Schedule A, Part II, line 14                        | <b>15</b> |  |

- 16a 33 1/3% support test—2017.** 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 ►
- b 33 1/3% support test—2016.** 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 ►
- 17a 10%-facts-and-circumstances test—2017.** 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 ►
- b 10%-facts-and-circumstances test—2016.** 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 ►
- 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 ►

**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<br>(or fiscal year beginning in) ► |  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017 | (f) Total |
|--|--|----------|----------|----------|----------|----------|-----------|
| <b>1</b>   | Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")  |          |          |          |          |          |           |
| <b>2</b>   | 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 |          |          |          |          |          |           |
| <b>3</b>   | Gross receipts from activities that are not an unrelated trade or business under section 513   |          |          |          |          |          |           |
| <b>4</b>   | Tax revenues levied for the organization's benefit and either paid to or expended on its behalf  |          |          |          |          |          |           |
| <b>5</b>   | The value of services or facilities furnished by a governmental unit to the organization without charge  |          |          |          |          |          |           |
| <b>6</b>   | <b>Total.</b> Add lines 1 through 5  |          |          |          |          |          |           |
| <b>7a</b>  | Amounts included on lines 1, 2, and 3 received from disqualified persons   |          |          |          |          |          |           |
| <b>b</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           |          |          |          |          |          |           |
| <b>c</b>   | Add lines 7a and 7b  |          |          |          |          |          |           |
| <b>8</b>   | <b>Public support.</b> (Subtract line 7c from line 6)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year<br>(or fiscal year beginning in) ► |  | (a) 2013 | (b) 2014 | (c) 2015 | (d) 2016 | (e) 2017 | (f) Total |
|--|--|----------|----------|----------|----------|----------|-----------|
| <b>9</b>   | Amounts from line 6  |          |          |          |          |          |           |
| <b>10a</b>                                       | Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |          |          |          |          |          |           |
| <b>b</b>   | Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                        |          |          |          |          |          |           |
| <b>c</b>   | Add lines 10a and 10b  |          |          |          |          |          |           |
| <b>11</b>  | Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on    |          |          |          |          |          |           |
| <b>12</b>  | Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)                                |          |          |          |          |          |           |
| <b>13</b>  | <b>Total support.</b> (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**

|           |  |           |  |
|-----------|--|-----------|--|
| <b>15</b> | Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) | <b>15</b> |  |
| <b>16</b> | Public support percentage from 2016 Schedule A, Part III, line 15                      | <b>16</b> |  |

**Section D. Computation of Investment Income Percentage**

|           |  |           |  |
|-----------|--|-----------|--|
| <b>17</b> | Investment income percentage for <b>2017</b> (line 10c, column (f) divided by line 13, column (f)) | <b>17</b> |  |
| <b>18</b> | Investment income percentage from <b>2016</b> Schedule A, Part III, line 17                        | <b>18</b> |  |

**19a 33 1/3% support tests—2017.** 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—2016.** 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 |
|------------|---|-----|----|
| <b>1</b>   | Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.  |     |    |
|            | <b>1</b>  |     |    |
| <b>2</b>   | Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).   |     |    |
|            | <b>2</b>  |     |    |
| <b>3a</b>  | Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.   |     |    |
|            | <b>3a</b>   |     |    |
| <b>b</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)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.   |     |    |
|            | <b>3b</b>   |     |    |
| <b>c</b>   | Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.  |     |    |
|            | <b>3c</b>   |     |    |
| <b>4a</b>  | Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.   |     |    |
|            | <b>4a</b>   |     |    |
| <b>b</b>   | Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.  |     |    |
|            | <b>4b</b>   |     |    |
| <b>c</b>   | 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)? If "Yes," explain in <b>Part VI</b> 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.   |     |    |
|            | <b>4c</b>   |     |    |
| <b>5a</b>  | Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in <b>Part VI</b> , 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). |     |    |
|            | <b>5a</b>   |     |    |
| <b>b</b>   | <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?  |     |    |
|            | <b>5b</b>   |     |    |
| <b>c</b>   | <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?   |     |    |
|            | <b>5c</b>   |     |    |
| <b>6</b>   | 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? If "Yes," provide detail in <b>Part VI</b> .   |     |    |
|            | <b>6</b>  |     |    |
| <b>7</b>   | 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? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).  |     |    |
|            | <b>7</b>  |     |    |
| <b>8</b>   | Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).   |     |    |
|            | <b>8</b>  |     |    |
| <b>9a</b>  | 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))? If "Yes," provide detail in <b>Part VI</b> .  |     |    |
|            | <b>9a</b>   |     |    |
| <b>b</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? If "Yes," provide detail in <b>Part VI</b> .   |     |    |
|            | <b>9b</b>   |     |    |
| <b>c</b>   | 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? If "Yes," provide detail in <b>Part VI</b> .  |     |    |
|            | <b>9c</b>   |     |    |
| <b>10a</b> | 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)? If "Yes," answer line 10b below.   |     |    |
|            | <b>10a</b>  |     |    |
| <b>b</b>   | Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)  |     |    |
|            | <b>10b</b>  |     |    |

**Part IV Supporting Organizations** (continued)

|           |   | Yes | No |
|-----------|---|-----|----|
| <b>11</b> | Has the organization accepted a gift or contribution from any of the following persons?   |     |    |
| <b>a</b>  | 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>b</b>  | A family member of a person described in (a) above?   |     |    |
| <b>c</b>  | 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>   |     |    |

**Section B. Type I Supporting Organizations**

|          |  | Yes | No |
|----------|--|-----|----|
| <b>1</b> | 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> |     |    |
| <b>2</b> | 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>  |     |    |

**Section C. Type II Supporting Organizations**

|          |   | Yes | No |
|----------|---|-----|----|
| <b>1</b> | 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> |     |    |

**Section D. All Type III Supporting Organizations**

|          |  | Yes | No |
|----------|--|-----|----|
| <b>1</b> | 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? |     |    |
| <b>2</b> | 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>  |     |    |
| <b>3</b> | 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>  |     |    |

**Section E. Type III Functionally-Integrated Supporting Organizations**

|          |  |  |  |
|----------|--|--|--|
| <b>1</b> | Check the box next to the method that the organization used to satisfy the Integral Part Test during the year ( <b>see instructions</b> )  |  |  |
| <b>a</b> | <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.   |  |  |
| <b>b</b> | <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.  |  |  |
| <b>c</b> | <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).  |  |  |
| <b>2</b> | Activities Test <b>Answer (a) and (b) below.</b>   |  |  |
| <b>a</b> | 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> |  |  |
| <b>b</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>  |  |  |
| <b>3</b> | Parent of Supported Organizations <b>Answer (a) and (b) below.</b>   |  |  |
| <b>a</b> | 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>  |  |  |
| <b>b</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>  |  |  |

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

- 1**  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

| <b>Section A - Adjusted Net Income</b>  |  | (A) Prior Year | (B) Current Year (optional) |
|---|--|----------------|-----------------------------|
| <b>1</b>                                | Net short-term capital gain  | <b>1</b>       |                             |
| <b>2</b>                                | Recoveries of prior-year distributions   | <b>2</b>       |                             |
| <b>3</b>                                | Other gross income (see instructions)  | <b>3</b>       |                             |
| <b>4</b>                                | Add lines 1 through 3  | <b>4</b>       |                             |
| <b>5</b>                                | Depreciation and depletion   | <b>5</b>       |                             |
| <b>6</b>                                | 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) | <b>6</b>       |                             |
| <b>7</b>                                | Other expenses (see instructions)  | <b>7</b>       |                             |
| <b>8</b>                                | <b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)   | <b>8</b>       |                             |
| <b>Section B - Minimum Asset Amount</b> |  | (A) Prior Year | (B) Current Year (optional) |
| <b>1</b>                                | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)   | <b>1</b>       |                             |
| <b>a</b>                                | Average monthly value of securities  | <b>1a</b>      |                             |
| <b>b</b>                                | Average monthly cash balances  | <b>1b</b>      |                             |
| <b>c</b>                                | Fair market value of other non-exempt-use assets   | <b>1c</b>      |                             |
| <b>d</b>                                | <b>Total</b> (add lines 1a, 1b, and 1c)  | <b>1d</b>      |                             |
| <b>e</b>                                | <b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI)   |                |                             |
| <b>2</b>                                | Acquisition indebtedness applicable to non-exempt use assets   | <b>2</b>       |                             |
| <b>3</b>                                | Subtract line 2 from line 1d   | <b>3</b>       |                             |
| <b>4</b>                                | Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)  | <b>4</b>       |                             |
| <b>5</b>                                | Net value of non-exempt-use assets (subtract line 4 from line 3)   | <b>5</b>       |                             |
| <b>6</b>                                | Multiply line 5 by .035  | <b>6</b>       |                             |
| <b>7</b>                                | Recoveries of prior-year distributions   | <b>7</b>       |                             |
| <b>8</b>                                | <b>Minimum Asset Amount</b> (add line 7 to line 6)   | <b>8</b>       |                             |
| <b>Section C - Distributable Amount</b> |  |                | Current Year                |
| <b>1</b>                                | Adjusted net income for prior year (from Section A, line 8, Column A)  | <b>1</b>       |                             |
| <b>2</b>                                | Enter 85% of line 1  | <b>2</b>       |                             |
| <b>3</b>                                | Minimum asset amount for prior year (from Section B, line 8, Column A)   | <b>3</b>       |                             |
| <b>4</b>                                | Enter greater of line 2 or line 3  | <b>4</b>       |                             |
| <b>5</b>                                | Income tax imposed in prior year   | <b>5</b>       |                             |
| <b>6</b>                                | <b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)   | <b>6</b>       |                             |
| <b>7</b>                                | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)                                 |                |                             |

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

| <b>Section D - Distributions</b>  | <b>Current Year</b> |
|---|---------------------|
| <b>1</b> Amounts paid to supported organizations to accomplish exempt purposes  |                     |
| <b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity            |                     |
| <b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations  |                     |
| <b>4</b> Amounts paid to acquire exempt-use assets  |                     |
| <b>5</b> Qualified set-aside amounts (prior IRS approval required)  |                     |
| <b>6</b> Other distributions (describe in <b>Part VI</b> ) See instructions   |                     |
| <b>7 Total annual distributions.</b> Add lines 1 through 6  |                     |
| <b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ) See instructions |                     |
| <b>9</b> Distributable amount for 2017 from Section C, line 6   |                     |
| <b>10</b> Line 8 amount divided by Line 9 amount  |                     |

| <b>Section E - Distribution Allocations (see instructions)</b>   | <b>(i)<br/>Excess Distributions</b> | <b>(ii)<br/>Underdistributions<br/>Pre-2017</b> | <b>(iii)<br/>Distributable<br/>Amount for 2017</b> |
|--|-------------------------------------|---|--|
| <b>1</b> Distributable amount for 2017 from Section C, line 6  |                                     |   |  |
| <b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required-- explain in Part VI) See instructions   |                                     |   |  |
| <b>3</b> Excess distributions carryover, if any, to 2017   |                                     |   |  |
| <b>a</b>   |                                     |   |  |
| <b>b</b> From 2013. . . . .  |                                     |   |  |
| <b>c</b> From 2014. . . . .  |                                     |   |  |
| <b>d</b> From 2015. . . . .  |                                     |   |  |
| <b>e</b> From 2016. . . . .  |                                     |   |  |
| <b>f Total</b> of lines 3a through e   |                                     |   |  |
| <b>g</b> Applied to underdistributions of prior years  |                                     |   |  |
| <b>h</b> Applied to 2017 distributable amount  |                                     |   |  |
| <b>i</b> Carryover from 2012 not applied (see instructions)  |                                     |   |  |
| <b>j</b> Remainder Subtract lines 3g, 3h, and 3i from 3f   |                                     |   |  |
| <b>4</b> Distributions for 2017 from Section D, line 7   |                                     |   |  |
| <b>a</b> Applied to underdistributions of prior years  |                                     |   |  |
| <b>b</b> Applied to 2017 distributable amount  |                                     |   |  |
| <b>c</b> Remainder Subtract lines 4a and 4b from 4   |                                     |   |  |
| <b>5</b> Remaining underdistributions for years prior to 2017, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions |                                     |   |  |
| <b>6</b> Remaining underdistributions for 2017 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions                        |                                     |   |  |
| <b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c   |                                     |   |  |
| <b>8</b> Breakdown of line 7   |                                     |   |  |
| <b>a</b> Excess from 2013. . . . .   |                                     |   |  |
| <b>b</b> Excess from 2014. . . . .   |                                     |   |  |
| <b>c</b> Excess from 2015. . . . .   |                                     |   |  |
| <b>d</b> Excess from 2016. . . . .   |                                     |   |  |
| <b>e</b> Excess from 2017. . . . .   |                                     |   |  |

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 46-0225483

**Name:** Sacred Heart Health Services

**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.  
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047  
  
**2017**  
  
**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<br>Sacred Heart Health Services | Employer identification number<br>46-0225483 |
|--|--|

**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) 2014 | (b) 2015 | (c) 2016 | (d) 2017 | (e) Total |
|--|----------|----------|----------|----------|-----------|
| <b>2a</b> Lobbying nontaxable amount                             |          |          |          |          |           |
| <b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))    |          |          |          |          |           |
| <b>c</b> Total lobbying expenditures                             |          |          |          |          |           |
| <b>d</b> Grassroots nontaxable amount                            |          |          |          |          |           |
| <b>e</b> Grassroots ceiling amount (150% of line 2d, column (e)) |          |          |          |          |           |
| <b>f</b> 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 |
| <b>1</b> 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 |     |    |        |
| <b>a</b> Volunteers?  |     | No |        |
| <b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?   |     | No |        |
| <b>c</b> Media advertisements?  |     | No |        |
| <b>d</b> Mailings to members, legislators, or the public?   |     | No |        |
| <b>e</b> Publications, or published or broadcast statements?  |     | No |        |
| <b>f</b> Grants to other organizations for lobbying purposes?   |     | No |        |
| <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?  |     | No |        |
| <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?  |     | No |        |
| <b>i</b> Other activities?  | Yes |    | 15,968 |
| <b>j</b> Total Add lines 1c through 1i  |     |    | 15,968 |
| <b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?   |     | No |        |
| <b>b</b> If "Yes," enter the amount of any tax incurred under section 4912  |     |    |        |
| <b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912   |     |    |        |
| <b>d</b> 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 |
|--|----------|----|
| <b>1</b> Were substantially all (90% or more) dues received nondeductible by members?                      | <b>1</b> |    |
| <b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?                 | <b>2</b> |    |
| <b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year? | <b>3</b> |    |

**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."**

|   |           |  |
|---|-----------|--|
| <b>1</b> Dues, assessments and similar amounts from members   | <b>1</b>  |  |
| <b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).   | <b>2a</b> |  |
| <b>a</b> Current year   | <b>2b</b> |  |
| <b>b</b> Carryover from last year   | <b>2c</b> |  |
| <b>c</b> Total  | <b>3</b>  |  |
| <b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues  | <b>4</b>  |  |
| <b>4</b> 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? | <b>5</b>  |  |
| <b>5</b> Taxable amount of lobbying and political expenditures (see instructions)   |           |  |

**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 | Avera Sacred Heart Hospital and Avera Creighton paid dues to organizations which have a portion of the dues attributed to lobbying activities |



**SCHEDULE D**  
(Form 990)  
  
Department of the Treasury  
Internal Revenue Service

# Supplemental Financial Statements

OMB No 1545-0047  
**2017**  
**Open to Public Inspection**

▶ 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.

Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Name of the organization**  
Sacred Heart Health Services

**Employer identification number**  
46-0225483

**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 |
|--|--|------------------------------|
| <b>1</b> Total number at end of year   |  |                              |
| <b>2</b> Aggregate value of contributions to (during year)   |  |                              |
| <b>3</b> Aggregate value of grants from (during year)  |  |                              |
| <b>4</b> Aggregate value at end of year  |  |                              |
| <b>5</b> 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?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |
| <b>6</b> 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? | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |

**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)

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

**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

| Held at the End of the Year  |  |
|--|--|
| <b>2a</b> Total number of conservation easements   |  |
| <b>2b</b> Total acreage restricted by conservation easements   |  |
| <b>2c</b> Number of conservation easements on a certified historic structure included in (a)   |  |
| <b>2d</b> Number of conservation easements included in (c) acquired after 8/17/06, 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?  Yes  No

**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)?  Yes  No

**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

**(i)** Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

**(ii)** Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**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

**a** Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

**b** Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**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
- |  | Amount |
|--|--------|
| <b>c</b> Beginning balance             |        |
| <b>d</b> Additions during the year     |        |
| <b>e</b> Distributions during the year |        |
| <b>f</b> Ending balance                |        |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

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

|   | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance . . . . .                     | 1,071,080        | 1,071,080      | 1,045,751          | 1,013,689            | 839,365             |
| <b>b</b> Contributions . . . . .                                  | 28,881           | 38,729         | 77,699             | 52,266               | 51,690              |
| <b>c</b> Net investment earnings, gains, and losses               | 188,014          | -24,812        | -35,356            | -2,578               | 133,464             |
| <b>d</b> Grants or scholarships . . . . .                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs . . . . . | 5,491            | 13,917         | 17,014             | 17,626               | 10,830              |
| <b>f</b> Administrative expenses . . . . .                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance . . . . .                            | 1,282,484        | 1,071,080      | 1,071,080          | 1,045,751            | 1,013,689           |

- 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 ▶ 44 850 %
  - c** Temporarily restricted endowment ▶ 55 150 %
- 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
- |  | Yes          | No            |
|--|--------------|---------------|
| <b>(i)</b> unrelated organizations . . . . .   | <b>3a(i)</b> | No            |
| <b>(ii)</b> related organizations . . . . .  | Yes          | <b>3a(ii)</b> |
| <b>b</b> If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? . . . . . | <b>3b</b>    | No            |
- 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 |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| <b>1a</b> Land . . . . .  |                                      | 4,546,594                       |                              | 4,546,594      |
| <b>b</b> Buildings . . . . .  |                                      | 130,129,502                     | 73,027,463                   | 57,102,039     |
| <b>c</b> Leasehold improvements   |                                      |                                 |                              |                |
| <b>d</b> Equipment . . . . .  |                                      | 48,927,866                      | 34,015,419                   | 14,912,447     |
| <b>e</b> Other . . . . .  |                                      | 7,913,602                       | 4,846,970                    | 3,066,632      |
| <b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . ▶ |                                      |                                 |                              | 79,627,712     |

**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<br>(including name of security)  | (b) Book value | (c) Method of valuation<br>Cost or end-of-year market value |
|--|----------------|---|
| (1) Financial derivatives . . . . .                                      |                |   |
| (2) Closely-held equity interests . . . . .                              |                |   |
| (3) Other _____  |                |   |
| (A) Assets limited to use - Avera Pooled Investments                     | 216,508,428    | F   |
| (B)  |                |   |
| (C)  |                |   |
| (D)  |                |   |
| (E)  |                |   |
| (F)  |                |   |
| (G)  |                |   |
| (H)  |                |   |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12.) | 216,508,428    |   |

**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<br>Cost or end-of-year market value |
|--|----------------|---|
| (1)  |                |   |
| (2)  |                |   |
| (3)  |                |   |
| (4)  |                |   |
| (5)  |                |   |
| (6)  |                |   |
| (7)  |                |   |
| (8)  |                |   |
| (9)  |                |   |
| <b>Total.</b> (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)  |                |
| (2)  |                |
| (3)  |                |
| (4)  |                |
| (5)  |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) |                |

**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.

| (a) Description of liability   | (b) Book value |
|--|----------------|
| (1) Federal income taxes   |                |
| Estimated third-party payor settlements                                  | 1,009,706      |
| Derivative liability   | 354,578        |
| (3)  |                |
| (4)  |                |
| (5)  |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) | 1,364,284      |

**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.

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

**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.

|          |  |           |           |  |
|----------|--|-----------|-----------|--|
| <b>1</b> | Total expenses and losses per audited financial statements . . . . .                                     |           | <b>1</b>  |  |
| <b>2</b> | Amounts included on line 1 but not on Form 990, Part IX, line 25   |           |           |  |
| <b>a</b> | Donated services and use of facilities . . . . .   | <b>2a</b> |           |  |
| <b>b</b> | Prior year adjustments . . . . .   | <b>2b</b> |           |  |
| <b>c</b> | Other losses . . . . .   | <b>2c</b> |           |  |
| <b>d</b> | Other (Describe in Part XIII ) . . . . .   | <b>2d</b> |           |  |
| <b>e</b> | Add lines <b>2a</b> through <b>2d</b> . . . . .  |           | <b>2e</b> |  |
| <b>3</b> | Subtract line <b>2e</b> from line <b>1</b> . . . . .   |           | <b>3</b>  |  |
| <b>4</b> | Amounts included on Form 990, Part IX, line 25, but not on line 1:                                       |           |           |  |
| <b>a</b> | Investment expenses not included on Form 990, Part VIII, line 7b . . . . .                               | <b>4a</b> |           |  |
| <b>b</b> | Other (Describe in Part XIII ) . . . . .   | <b>4b</b> |           |  |
| <b>c</b> | Add lines <b>4a</b> and <b>4b</b> . . . . .  |           | <b>4c</b> |  |
| <b>5</b> | Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . . |           | <b>5</b>  |  |

**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:** 46-0225483

**Name:** Sacred Heart Health Services

## Supplemental Information

| Return Reference | Explanation  |
|------------------|--|
| Part IV, Line 2b | Resident trust funds are held on behalf of the residents |

## Supplemental Information

| Return Reference | Explanation  |
|------------------|--|
| Part V, Line 4   | The Organization's endowment consists of various individual funds established for a variety of purposes. Its endowment represents donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. |

**Supplemental Information**

| Return Reference | Explanation   |
|------------------|---|
| Part X, Line 2   | <p>Avera Health and most of its sponsored organizations are considered nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. These organizations are required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service (IRS). Avera Health and certain sponsored organizations also file an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report their unrelated business taxable income. Avera Health and its sponsored organizations believe that they have appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The federal Form 990T filings and taxable subsidiary returns for consolidated subsidiaries are no longer subject to federal tax examinations by tax authorities for years before 2015.</p> |



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

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

OMB No 1545-0047

**2017**

**Open to Public  
Inspection**

Complete if the organization answered "Yes" on Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Sacred Heart Health Services

**Employer identification number**

46-0225483

**Part I Fundraising Activities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a**  Mail solicitations
  - b**  Internet and email solicitations
  - c**  Phone solicitations
  - d**  In-person solicitations
  - e**  Solicitation of non-government grants
  - f**  Solicitation of government grants
  - g**  Special fundraising events
- 2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? |    | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col (i) | (vi) Amount paid to (or retained by) organization |
|---|---------------|--|----|-----------------------------------|--|---|
|   |               | Yes  | No |                                   |  |   |
| 1   |               |  |    |                                   |  |   |
| 2   |               |  |    |                                   |  |   |
| 3   |               |  |    |                                   |  |   |
| 4   |               |  |    |                                   |  |   |
| 5   |               |  |    |                                   |  |   |
| 6   |               |  |    |                                   |  |   |
| 7   |               |  |    |                                   |  |   |
| 8   |               |  |    |                                   |  |   |
| 9   |               |  |    |                                   |  |   |
| 10  |               |  |    |                                   |  |   |
| <b>Total</b>  |               |  |    |                                   |  |   |

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

|   |  | (a)Event #1                          | (b) Event #2                              | (c)Other events | (d)  |
|---|--|--------------------------------------|---|-----------------|--|
|   |  | <u>Simply d'Vine</u><br>(event type) | <u>Roses Just Because</u><br>(event type) | (total number)  | Total events<br>(add col (a) through<br>col (c)) |
| <b>Revenue</b>  | <b>1</b> Gross receipts . . . . .  | 95,992                               | 12,875                                    |                 | 108,867  |
|   | <b>2</b> Less Contributions . . . . .  | 50,718                               |   |                 | 50,718   |
|   | <b>3</b> Gross income (line 1 minus<br>line 2) . . . . .                         | 45,274                               | 12,875                                    |                 | 58,149   |
| <b>Direct Expenses</b>  | <b>4</b> Cash prizes . . . . .   |                                      |   |                 |  |
|   | <b>5</b> Noncash prizes . . . . .  | 3,150                                |   |                 | 3,150  |
|   | <b>6</b> Rent/facility costs . . . . .   | 4,572                                |   |                 | 4,572  |
|   | <b>7</b> Food and beverages . . . . .  | 2,051                                |   |                 | 2,051  |
|   | <b>8</b> Entertainment . . . . .   | 5,040                                |   |                 | 5,040  |
|   | <b>9</b> Other direct expenses . . . . .   | 2,000                                | 3,822                                     |                 | 5,822  |
|   | <b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶ |                                      |   |                 | 20,635   |
| <b>11</b> Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶ |  |                                      |   | 37,514          |  |

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

|  |  | (a) Bingo  | (b) Pull tabs/Instant<br>bingo/progressive bingo                   | (c) Other gaming   | (d) Total gaming (add<br>col (a) through col (c)) |
|--|--|--|--|--|---|
|  |  | <b>1</b> Gross revenue . . . . .                                   |  |  |   |
| <b>Direct Expenses</b>   | <b>2</b> Cash prizes . . . . .           |  |  |  |   |
|  | <b>3</b> Noncash prizes . . . . .        |  |  |  |   |
|  | <b>4</b> Rent/facility costs . . . . .   |  |  |  |   |
|  | <b>5</b> Other direct expenses . . . . . |  |  |  |   |
|  | <b>6</b> Volunteer labor . . . . .       | <input type="checkbox"/> Yes _____%<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____%<br><input type="checkbox"/> No | <input type="checkbox"/> Yes _____%<br><input type="checkbox"/> No |   |
| <b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶        |  |  |  |  |   |
| <b>8</b> Net gaming income summary Subtract line 7 from line 1, column (d) . . . . . ▶ |  |  |  |  |   |

**9** Enter the state(s) in which the organization conducts gaming activities \_\_\_\_\_

**a** Is the organization licensed to conduct gaming activities in each of these states?  Yes  No

**b** If "No," explain \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

**b** If "Yes," explain \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- 11** Does the organization conduct gaming activities with nonmembers?  Yes  No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13** Indicate the percentage of gaming activity conducted in
 

|          |                             |   |
|----------|-----------------------------|---|
| <b>a</b> | The organization's facility | % |
| <b>b</b> | An outside facility         | % |

**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c** If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

**16** Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ \$ .....

Description of services provided ▶ .....

Director/officer       Employee       Independent contractor

**17** Mandatory distributions

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

**SCHEDULE H (Form 990)**  
 Department of the Treasury  
 Internal Revenue Service  
**Name of the organization**  
 Sacred Heart Health Services

**Hospitals**

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

**Employer identification number**  
 46-0225483

OMB No 1545-0047  
**2017**  
**Open to Public Inspection**

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

|   | Yes           | No |
|---|---------------|----|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a   | <b>1a</b> Yes |    |
| <b>b</b> If "Yes," was it a written policy?   | <b>1b</b> Yes |    |
| <b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year<br><input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities |               |    |
| <b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  |               |    |
| <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care<br><input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  | <b>3a</b> Yes |    |
| <b>b</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<br><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %                         | <b>3b</b> Yes |    |
| <b>c</b> 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   |               |    |
| <b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?   | <b>4</b> Yes  |    |
| <b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?   | <b>5a</b> Yes |    |
| <b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?   | <b>5b</b> Yes |    |
| <b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?   | <b>5c</b>     | No |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year?  | <b>6a</b>     | No |
| <b>b</b> If "Yes," did the organization make it available to the public?  | <b>6b</b>     |    |

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**

| <b>Financial Assistance and Means-Tested Government Programs</b>                                   | <b>(a) Number of activities or programs (optional)</b> | <b>(b) Persons served (optional)</b> | <b>(c) Total community benefit expense</b> | <b>(d) Direct offsetting revenue</b> | <b>(e) Net community benefit expense</b> | <b>(f) Percent of total expense</b> |
|--|--|--------------------------------------|--|--------------------------------------|--|-------------------------------------|
| <b>a</b> Financial Assistance at cost (from Worksheet 1)   |  | 2,500                                | 2,629,719                                  | 107,639                              | 2,522,080                                | 2 050 %                             |
| <b>b</b> Medicaid (from Worksheet 3, column a)   |  |                                      | 15,365,692                                 | 9,725,900                            | 5,639,792                                | 4 580 %                             |
| <b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)              |  |                                      |  |                                      |  |                                     |
| <b>d Total</b> Financial Assistance and Means-Tested Government Programs                           |  | 2,500                                | 17,995,411                                 | 9,833,539                            | 8,161,872                                | 6 630 %                             |
| <b>Other Benefits</b>  |  |                                      |  |                                      |  |                                     |
| <b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) | 16   | 424                                  | 10,020,190                                 | 7,420,746                            | 2,599,444                                | 2 110 %                             |
| <b>f</b> Health professions education (from Worksheet 5)   | 3  |                                      | 76,124                                     | 19,560                               | 56,564                                   | 0 050 %                             |
| <b>g</b> Subsidized health services (from Worksheet 6)   | 6  |                                      | 13,384,800                                 | 11,778,756                           | 1,606,044                                | 1 300 %                             |
| <b>h</b> Research (from Worksheet 7)   |  |                                      |  |                                      |  |                                     |
| <b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)                   | 3  |                                      | 118,774                                    |                                      | 118,774                                  | 0 100 %                             |
| <b>j Total.</b> Other Benefits   | 28   | 424                                  | 23,599,888                                 | 19,219,062                           | 4,380,826                                | 3 560 %                             |
| <b>k Total.</b> Add lines 7d and 7j  | 28   | 2,924                                | 41,595,299                                 | 29,052,601                           | 12,542,698                               | 10 190 %                            |

**Part III 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   | 1   |                               | 1,320                                |                               | 1,320                              | 0 %                          |
| 4 Environmental improvements                                |   |                               |                                      |                               |                                    |                              |
| 5 Leadership development and training for community members |   |                               |                                      |                               |                                    |                              |
| 6 Coalition building  |   |                               |                                      |                               |                                    |                              |
| 7 Community health improvement advocacy                     |   |                               |                                      |                               |                                    |                              |
| 8 Workforce development                                     |   |                               |                                      |                               |                                    |                              |
| 9 Other   |   |                               |                                      |                               |                                    |                              |
| <b>10 Total</b>   | <b>1</b>  |                               | <b>1,320</b>                         |                               | <b>1,320</b>                       | <b>0 %</b>                   |

**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 Yes |           |
| 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     | 5,189,912 |
| 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     | 0         |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.   |       |           |

**Section B. Medicare**

|   |   |   |            |
|---|---|---|------------|
| 5 | Enter total revenue received from Medicare (including DSH and IME).   | 5 | 29,993,169 |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5.  | 6 | 30,184,878 |
| 7 | Subtract line 6 from line 5. This is the surplus (or shortfall).  | 7 | -191,709   |
| 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:<br><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**

|    | (a) Name of entity (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions) | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership % | (e) Physicians' profit % or stock ownership % |
|----|---|---|--|--|---|
| 1  |   |   |  |  |   |
| 2  |   |   |  |  |   |
| 3  |   |   |  |  |   |
| 4  |   |   |  |  |   |
| 5  |   |   |  |  |   |
| 6  |   |   |  |  |   |
| 7  |   |   |  |  |   |
| 8  |   |   |  |  |   |
| 9  |   |   |  |  |   |
| 10 |   |   |  |  |   |
| 11 |   |   |  |  |   |
| 12 |   |   |  |  |   |
| 13 |   |   |  |  |   |

**Part V Facility Information****Section A. Hospital Facilities**

(list in order of size from largest to smallest—see instructions)

How many hospital facilities did the organization operate during the tax year?

2

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

| See Additional Data Table | 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 |
|---------------------------|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|------------------|--------------------------|
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |
|                           |                   |                            |                     |                   |                          |                   |             |          |                  |                          |

**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)  
 Avera Sacred Heart 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

|  |  | Yes | No |
|--|--|-----|----|
| <b>Community Health Needs Assessment</b> |  |     |    |
| <b>1</b>                                 | 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? . . . . .   |     | No |
| <b>2</b>                                 | 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 . . . . .  |     | No |
| <b>3</b>                                 | 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 . . . . .<br>If "Yes," indicate what the CHNA report describes (check all that apply)   | Yes |    |
| <b>a</b>                                 | <input checked="" type="checkbox"/> A definition of the community served by the hospital facility  |     |    |
| <b>b</b>                                 | <input checked="" type="checkbox"/> Demographics of the community  |     |    |
| <b>c</b>                                 | <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  |     |    |
| <b>d</b>                                 | <input checked="" type="checkbox"/> How data was obtained  |     |    |
| <b>e</b>                                 | <input checked="" type="checkbox"/> The significant health needs of the community  |     |    |
| <b>f</b>                                 | <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups  |     |    |
| <b>g</b>                                 | <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs  |     |    |
| <b>h</b>                                 | <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests   |     |    |
| <b>i</b>                                 | <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)  |     |    |
| <b>j</b>                                 | <input type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>4</b>                                 | Indicate the tax year the hospital facility last conducted a CHNA <u>20 15</u>   |     |    |
| <b>5</b>                                 | 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 . . . . . | Yes |    |
| <b>6 a</b>                               | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .   |     | No |
| <b>b</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 . . . . .  |     | No |
| <b>7</b>                                 | Did the hospital facility make its CHNA report widely available to the public? . . . . .<br>If "Yes," indicate how the CHNA report was made widely available (check all that apply)  | Yes |    |
| <b>a</b>                                 | <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See part V Section C</u>   |     |    |
| <b>b</b>                                 | <input checked="" type="checkbox"/> Other website (list url) <u>See Part V Section C</u>   |     |    |
| <b>c</b>                                 | <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility  |     |    |
| <b>d</b>                                 | <input type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>8</b>                                 | 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 . . . . .  | Yes |    |
| <b>9</b>                                 | Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 15</u>   |     |    |
| <b>10</b>                                | Is the hospital facility's most recently adopted implementation strategy posted on a website? . . . . .<br>If "Yes" (list url) <u>See Part V Section C</u>   | Yes |    |
| <b>a</b>                                 |  |     |    |
| <b>b</b>                                 | If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? . . . . .   |     |    |
| <b>11</b>                                | 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  |     |    |
| <b>12a</b>                               | 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)? . . . . .  |     | No |
| <b>12b</b>                               | If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .   |     |    |
| <b>c</b>                                 | 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)**

Avera Sacred Heart 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 |   |     |    |
| <b>13</b>  | Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?<br>If "Yes," indicate the eligibility criteria explained in the FAP  | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150 000000000000</u> %<br>and FPG family income limit for eligibility for discounted care of <u>400 000000000000</u> %   |     |    |
| <b>b</b>   | <input type="checkbox"/> Income level other than FPG (describe in Section C)  |     |    |
| <b>c</b>   | <input checked="" type="checkbox"/> Asset level   |     |    |
| <b>d</b>   | <input checked="" type="checkbox"/> Medical indigency   |     |    |
| <b>e</b>   | <input checked="" type="checkbox"/> Insurance status  |     |    |
| <b>f</b>   | <input type="checkbox"/> Underinsurance discount  |     |    |
| <b>g</b>   | <input type="checkbox"/> Residency  |     |    |
| <b>h</b>   | <input checked="" type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>14</b>  | Explained the basis for calculating amounts charged to patients? . . . . .  | Yes |    |
| <b>15</b>  | Explained the method for applying for financial assistance? . . . . .<br>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)   | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application  |     |    |
| <b>b</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  |     |    |
| <b>c</b>   | <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  |     |    |
| <b>d</b>   | <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications   |     |    |
| <b>e</b>   | <input type="checkbox"/> Other (describe in Section C)  |     |    |
| <b>16</b>  | Was widely publicized within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)  | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> The FAP was widely available on a website (list url)<br><u>See Section C</u>  |     |    |
| <b>b</b>   | <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url)<br><u>See Section C</u>   |     |    |
| <b>c</b>   | <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url)<br><u>See Section C</u>  |     |    |
| <b>d</b>   | <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |     |    |
| <b>e</b>   | <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)   |     |    |
| <b>f</b>   | <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)  |     |    |
| <b>g</b>   | <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 |     |    |
| <b>h</b>   | <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP   |     |    |
| <b>i</b>   | <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   |     |    |
| <b>j</b>   | <input checked="" type="checkbox"/> Other (describe in Section C)   |     |    |



**Part V Facility Information** (continued)

**Billing and Collections**

Avera Sacred Heart Hospital

**Name of hospital facility or letter of facility reporting group** \_\_\_\_\_

|           |  | Yes | No  |
|-----------|--|-----|-----|
| <b>17</b> | 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 |
| <b>18</b> | 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  |     |     |
| <b>a</b>  | <input type="checkbox"/> Reporting to credit agency(ies)   |     |     |
| <b>b</b>  | <input type="checkbox"/> Selling an individual's debt to another party   |     |     |
| <b>c</b>  | <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  |     |     |
| <b>d</b>  | <input type="checkbox"/> Actions that require a legal or judicial process  |     |     |
| <b>e</b>  | <input type="checkbox"/> Other similar actions (describe in Section C)   |     |     |
| <b>f</b>  | <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted  |     |     |
| <b>19</b> | 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? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged | 19  | No  |
| <b>a</b>  | <input type="checkbox"/> Reporting to credit agency(ies)   |     |     |
| <b>b</b>  | <input type="checkbox"/> Selling an individual's debt to another party   |     |     |
| <b>c</b>  | <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  |     |     |
| <b>d</b>  | <input type="checkbox"/> Actions that require a legal or judicial process  |     |     |
| <b>e</b>  | <input type="checkbox"/> Other similar actions (describe in Section C)   |     |     |
| <b>20</b> | 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)   |     |     |
| <b>a</b>  | <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs  |     |     |
| <b>b</b>  | <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process  |     |     |
| <b>c</b>  | <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications   |     |     |
| <b>d</b>  | <input checked="" type="checkbox"/> Made presumptive eligibility determinations  |     |     |
| <b>e</b>  | <input checked="" type="checkbox"/> Other (describe in Section C)  |     |     |
| <b>f</b>  | <input type="checkbox"/> None of these efforts were made   |     |     |

**Policy Relating to Emergency Medical Care**

|           |  |    |     |
|-----------|--|----|-----|
| <b>21</b> | 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? . . . . .<br>If "No," indicate why | 21 | Yes |
| <b>a</b>  | <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions   |    |     |
| <b>b</b>  | <input type="checkbox"/> The hospital facility's policy was not in writing   |    |     |
| <b>c</b>  | <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)   |    |     |
| <b>d</b>  | <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)**

Avera Sacred Heart 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 |
|-----------|-----|----|
| <b>23</b> |     | No |
| <b>24</b> |     | No |

**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)  
 Avera Creighton 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): \_\_\_\_\_ 2

|  |  | Yes | No |
|--|--|-----|----|
| <b>Community Health Needs Assessment</b> |  |     |    |
| <b>1</b>                                 | 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? . . . . .   |     | No |
| <b>2</b>                                 | 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 . . . . .  |     | No |
| <b>3</b>                                 | 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 . . . . .<br>If "Yes," indicate what the CHNA report describes (check all that apply)   | Yes |    |
| <b>a</b>                                 | <input checked="" type="checkbox"/> A definition of the community served by the hospital facility  |     |    |
| <b>b</b>                                 | <input checked="" type="checkbox"/> Demographics of the community  |     |    |
| <b>c</b>                                 | <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  |     |    |
| <b>d</b>                                 | <input checked="" type="checkbox"/> How data was obtained  |     |    |
| <b>e</b>                                 | <input checked="" type="checkbox"/> The significant health needs of the community  |     |    |
| <b>f</b>                                 | <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups  |     |    |
| <b>g</b>                                 | <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs  |     |    |
| <b>h</b>                                 | <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests   |     |    |
| <b>i</b>                                 | <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)  |     |    |
| <b>j</b>                                 | <input type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>4</b>                                 | Indicate the tax year the hospital facility last conducted a CHNA <u>20 15</u>   |     |    |
| <b>5</b>                                 | 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 . . . . . | Yes |    |
| <b>6 a</b>                               | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C . . . . .   | Yes |    |
| <b>b</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 . . . . .  |     | No |
| <b>7</b>                                 | Did the hospital facility make its CHNA report widely available to the public? . . . . .<br>If "Yes," indicate how the CHNA report was made widely available (check all that apply)  | Yes |    |
| <b>a</b>                                 | <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>See Part V Section C</u>   |     |    |
| <b>b</b>                                 | <input checked="" type="checkbox"/> Other website (list url) <u>See Part V Section C</u>   |     |    |
| <b>c</b>                                 | <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility  |     |    |
| <b>d</b>                                 | <input type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>8</b>                                 | 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 . . . . .  | Yes |    |
| <b>9</b>                                 | Indicate the tax year the hospital facility last adopted an implementation strategy <u>20 15</u>   |     |    |
| <b>10</b>                                | Is the hospital facility's most recently adopted implementation strategy posted on a website? . . . . .<br>If "Yes" (list url) <u>See Part V Section C</u>   | Yes |    |
| <b>a</b>                                 |  |     |    |
| <b>b</b>                                 | If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? . . . . .   |     |    |
| <b>11</b>                                | 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  |     |    |
| <b>12a</b>                               | 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)? . . . . .  |     | No |
| <b>12b</b>                               | If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .   |     |    |
| <b>c</b>                                 | 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)**

Avera Creighton 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 |   |     |    |
| <b>13</b>  | Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?<br>If "Yes," indicate the eligibility criteria explained in the FAP  | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150 000000000000</u> %<br>and FPG family income limit for eligibility for discounted care of <u>400 000000000000</u> %   |     |    |
| <b>b</b>   | <input type="checkbox"/> Income level other than FPG (describe in Section C)  |     |    |
| <b>c</b>   | <input checked="" type="checkbox"/> Asset level   |     |    |
| <b>d</b>   | <input checked="" type="checkbox"/> Medical indigency   |     |    |
| <b>e</b>   | <input checked="" type="checkbox"/> Insurance status  |     |    |
| <b>f</b>   | <input type="checkbox"/> Underinsurance discount  |     |    |
| <b>g</b>   | <input type="checkbox"/> Residency  |     |    |
| <b>h</b>   | <input checked="" type="checkbox"/> Other (describe in Section C)   |     |    |
| <b>14</b>  | Explained the basis for calculating amounts charged to patients? . . . . .  | Yes |    |
| <b>15</b>  | Explained the method for applying for financial assistance? . . . . .<br>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)   | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application  |     |    |
| <b>b</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  |     |    |
| <b>c</b>   | <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  |     |    |
| <b>d</b>   | <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications   |     |    |
| <b>e</b>   | <input type="checkbox"/> Other (describe in Section C)  |     |    |
| <b>16</b>  | Was widely publicized within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)  | Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> The FAP was widely available on a website (list url)<br><u>See Section C</u>  |     |    |
| <b>b</b>   | <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url)<br><u>See Section C</u>   |     |    |
| <b>c</b>   | <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url)<br><u>See Section C</u>  |     |    |
| <b>d</b>   | <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |     |    |
| <b>e</b>   | <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)   |     |    |
| <b>f</b>   | <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)  |     |    |
| <b>g</b>   | <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 |     |    |
| <b>h</b>   | <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP   |     |    |
| <b>i</b>   | <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   |     |    |
| <b>j</b>   | <input checked="" type="checkbox"/> Other (describe in Section C)   |     |    |

**Part V Facility Information** (continued)

**Billing and Collections**

Avera Creighton Hospital

**Name of hospital facility or letter of facility reporting group** \_\_\_\_\_

|           |  | Yes | No  |
|-----------|--|-----|-----|
| <b>17</b> | 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 |
| <b>18</b> | 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  |     |     |
| <b>a</b>  | <input type="checkbox"/> Reporting to credit agency(ies)   |     |     |
| <b>b</b>  | <input type="checkbox"/> Selling an individual's debt to another party   |     |     |
| <b>c</b>  | <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  |     |     |
| <b>d</b>  | <input type="checkbox"/> Actions that require a legal or judicial process  |     |     |
| <b>e</b>  | <input type="checkbox"/> Other similar actions (describe in Section C)   |     |     |
| <b>f</b>  | <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted  |     |     |
| <b>19</b> | 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? . . . . .<br>If "Yes," check all actions in which the hospital facility or a third party engaged | 19  | No  |
| <b>a</b>  | <input type="checkbox"/> Reporting to credit agency(ies)   |     |     |
| <b>b</b>  | <input type="checkbox"/> Selling an individual's debt to another party   |     |     |
| <b>c</b>  | <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  |     |     |
| <b>d</b>  | <input type="checkbox"/> Actions that require a legal or judicial process  |     |     |
| <b>e</b>  | <input type="checkbox"/> Other similar actions (describe in Section C)   |     |     |
| <b>20</b> | 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)   |     |     |
| <b>a</b>  | <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs  |     |     |
| <b>b</b>  | <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process  |     |     |
| <b>c</b>  | <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications   |     |     |
| <b>d</b>  | <input checked="" type="checkbox"/> Made presumptive eligibility determinations  |     |     |
| <b>e</b>  | <input checked="" type="checkbox"/> Other (describe in Section C)  |     |     |
| <b>f</b>  | <input type="checkbox"/> None of these efforts were made   |     |     |

**Policy Relating to Emergency Medical Care**

|           |  |    |     |
|-----------|--|----|-----|
| <b>21</b> | 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? . . . . .<br>If "No," indicate why | 21 | Yes |
| <b>a</b>  | <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions   |    |     |
| <b>b</b>  | <input type="checkbox"/> The hospital facility's policy was not in writing   |    |     |
| <b>c</b>  | <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)   |    |     |
| <b>d</b>  | <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)**

Avera Creighton 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 |
|-----------|-----|----|
| <b>23</b> |     | No |
| <b>24</b> |     | No |

**Part V** Facility Information *(continued)*

**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.

| Form and Line Reference | Explanation |
|-------------------------|-------------|
| See Add'l Data          |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |
|                         |             |

**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? 6

| Name and address   | Type of Facility (describe) |
|--|-----------------------------|
| <b>1</b> 1 - Avera Sister James Care Center<br>2111 W 11th Street<br>Yankton, SD 57078       | Skilled nursing facility    |
| <b>2</b> 2 - Avera Sacred Heart Majestic Bluffs<br>2111 W 11th Street<br>Yankton, SD 57078   | Assisted living             |
| <b>3</b> 3 - Avera Sacred Heart Hospital-Swing Bed<br>501 Summit Street<br>Yankton, SD 57078 | Swing Bed                   |
| <b>4</b> 4 - Avera Creighton Care Centre<br>1603 Main Street<br>Creighton, NE 687292999      | Long Term Care              |
| <b>5</b> 5 - Avera Sacred Heart Hospital-Dialysis<br>501 Summit Street<br>Yankton, SD 57078  | Dialysis Unit               |
| <b>6</b> 6 - AMG Gastroenterology<br>1104 West 8th Street<br>Yankton, SD 57078               | Gastroenterology clinic     |
| <b>7</b>   |                             |
| <b>8</b>   |                             |
| <b>9</b>   |                             |
| <b>10</b>  |                             |



**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 3c         | The methodology used to determine eligibility for financial assistance takes into consideration income, net assets, family size and resources available to pay for care. In addition, presumptive charity care may be applied in situations where all other avenues have been exhausted. |
| Part I, Line 7          | Charity care was converted to cost using the cost-to-charge ratio based on the Medicare Cost Report from the prior year. The amounts on lines 7e-i represent expenses reported in the general ledger and compiled using CBISA software.  |

## 990 Schedule H, Supplemental Information

| Form and Line Reference                | Explanation   |
|--|---|
| Part I, Ln 7 Col(f)                    | Bad debt expense of \$5,189,912 is included on Form 990, Part IX, line 25, column (A) but excluded for purposes of calculating this percentage  |
| Part II, Community Building Activities | Sacred Heart Health Services provided a public school athletic trainer. This helps with the prevention of injuries, recognition of an injury requiring additional medical attention, post-injury rehabilitation and education |

**990 Schedule H, Supplemental Information**

| Form and Line Reference | Explanation   |
|-------------------------|---|
| Part III, Line 2        | Bad debt expense is reported net of discounts and contractual allowances. A payment on an account previously written off reduces bad debt expense in the current year. Bad debt expense on line 2 is reported at charges as presented on the financial statements.                          |
| Part III, Line 3        | Avera Sacred Heart has several procedures in place to determine which patients would qualify for financial assistance, therefore the hospital feels confident that no amount of bad debt expense is attributable to patients eligible under the Organization's financial assistance policy. |

**990 Schedule H, Supplemental Information**

| Form and Line Reference | Explanation   |
|-------------------------|---|
| Part III, Line 4        | The footnote to the Organization's financial statements that describes bad debt expenses can be found on page 10 of the attached financial statements   |
| Part III, Line 8        | <p>Part III, Lines 5, 6, and 7 The Medicare revenues received (line 5), allowable costs (line 6), and the resulting shortfall (line 7) does not include a significant portion of the organization's expenses. These lines require use of the Medicare Cost Report as prepared by the required guidelines which disallows numerous costs of hospitals, particularly if they are part of an integrated system such as Sacred Heart Health Services. In these cases the entity must file a home office cost report which "steps down" overhead to non-cost report entities disproportionately to actual allowable share and essentially removing the costs from the hospital's cost report entirely. Examples of non-cost report entities operated by Sacred Heart Health Services include clinics, long-term care facilities, and other health care related businesses. There are also costs completely disallowed by cost report rules such as bad debt expense, marketing, CRNA's, and interest expense. In addition to these disallowed costs within the Hospital, Sacred Heart Health Services operates clinics, long-term care facilities, and other health care related businesses which do not file a cost report. Medicare allowable costs of care are based on the Medicare cost report. The Medicare Cost Report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services. Sacred Heart Health Services follows the CHA guidelines in reporting community benefits and therefore any Medicare shortfall is excluded from our community benefit report. However, Medicare is the organization's largest payer and patients with Medicare coverage are accepted regardless of whether or not a surplus or deficit is realized from providing the services. This basis therefore means providing Medicare services promotes access to healthcare services which is a key advantage for our community.</p> |

**990 Schedule H, Supplemental Information**

| Form and Line Reference | Explanation   |
|-------------------------|---|
| Part III, Line 9b       | If the patient qualifies for the organization's financial assistance policy for low-income, uninsured patients and is cooperating with the organization with regard to efforts to settle an outstanding bill within current self-pay collection policy guidelines and timeframes, the organization or its agent shall not send, nor intimate that it will send, the unpaid bill to any outside collection agency. Avera organizations will allow all individuals 120 days from the first post discharge statement to apply for financial assistance before sending the uncollected account to an outside collection agency. Avera will provide the patient with a statement or final notice that contains a listing of the specific collection action(s) it intends to initiate, and a deadline after which they may be initiated no earlier than 30 days before action is initiated. If the patient qualifies for 100% charity care, no further bills will be sent. A letter will be sent instead indicating that the patient's bill has been completely forgiven. |
| Part VI, Line 2         | Avera Sacred Heart Hospital includes community members on committees, boards and advisory groups to allow community reaction and input in the actions we take. We also review all data provided by the health departments regarding disease rates, mortality, morbidity, population changes, etc. The hospital also conducts focus groups, consumer perception studies, and patient satisfaction surveys to identify primary needs of the community and responds with preventative/educational information or activities for the community.   |

**990 Schedule H, Supplemental Information**

| Form and Line Reference | Explanation   |
|-------------------------|---|
| Part VI, Line 3         | The brochure "Understanding Your Health Care Bill" is provided in visible locations experiencing high volumes of inpatient or outpatient registrations such as the admitting office, the billing/business office, and emergency department as well as the organization website. Patients are also made aware of possible eligibility when given the "Patient Rights and Responsibilities" brochure upon admission. The Patient Advocate works with uninsured/underinsured patients to enroll them in applicable social service programs and/or identify charity, county or risk pool eligibility. |
| Part VI, Line 4         | Avera Sacred Heart Hospital primarily serves the city and county of Yankton, SD and the surrounding South Dakota counties of Bon Homme, Charles Mix, Clay and Hutchinson, and Cedar County and Knox in Nebraska. U.S. Census statistics indicate that 17.4% of the City of Yankton's individual residents fall below the federal poverty guidelines. For fiscal year 2017, 46.1% of our revenue came from Medicare and Medicare Advantage plans, and 11.5% came from Medicaid and Medicaid Replacement plans.   |

**990 Schedule H, Supplemental Information**

| Form and Line Reference | Explanation   |
|-------------------------|---|
| Part VI, Line 5         | <p>The Hospital board is comprised of individuals who represent the interests of the community served by the organization. The Hospital offers staff privileges to all qualified physicians in the community. Selected services such as Radiation Oncology and Swingbed Services would not be available in our service area unless provided by the organization. The Hospital serves all individuals regardless of their ability to pay, providing 24 hour a day emergency services. The facility participates in the education of medical students from The University of South Dakota through their Yankton location. The Hospital also offers a 2-year Radiology Technologist program that graduates approximately 6 students per year. Sacred Heart Hospital also provides clinical education for Mount Marty College students. The Hospital is also proud of the fact that 261 individuals chose to volunteer at the facility during fiscal year 2018.</p> |
| Part VI, Line 6         | <p>Avera is a sponsored ministry of the Benedictine and Presentation Sisters. The communities in which Avera Health operates all have unique health and community benefits needs. In keeping with Catholic Health Association guidelines, each Hospital strives to meet its community's identified needs. The corporate staff of Avera Health advocates for all members regarding community benefit related matters of state, regional and national importance.</p>   |

Schedule H (Form 990) 2017



# Additional Data

**Software ID:**

**Software Version:**

**EIN:** 46-0225483

**Name:** Sacred Heart Health Services

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

| <b>Section A. Hospital Facilities</b><br>(list in order of size from largest to smallest—see instructions)<br>How many hospital facilities did the organization operate during the tax year?<br><b>2</b> |   | 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  | Avera Sacred Heart Hospital<br>501 Summit Street<br>Yankton, SD 57078<br>www.avera.org/sacred-heart/<br>10576 | X                 | X                          |                     |                   |                          |                   | X           |          | 7 provider based clinics            |                          |
| 2  | Avera Creighton Hospital<br>1503 Main Street<br>Creighton, NE 68729<br>www.avera.org/creighton/<br>490001     | X                 | X                          |                     |                   | X                        |                   | X           |          | 1 provider based clinic and 6 RHC's |                          |

**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   |
|-----------------------------|---|
| Avera Sacred Heart Hospital | Part V, Section B, Line 5 Avera Sacred Heart Hospital worked closely with the SD Department of Health and also utilized Maximizing Excellence LLC to conduct focus groups Careful consideration was taken to be sure that representatives from the community at large, the medically underserved, low-income and minority populations were included   |
| Avera Creighton Hospital    | Part V, Section B, Line 5 Avera Creighton Hospital in conjunction with the North Central District Health Department used community stakeholder meetings, county focus groups and surveys targeted to specific population groups to determine potential areas to focus health improvement efforts on Dr Joseph Nitzke, a partner in Ionia Research, was contracted for data collection, compilation, analysis and presentation for the project |

**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  |
|-----------------------------|--|
| Avera Creighton Hospital    | Part V, Section B, Line 6a Avera Creighton Hospital partnered with nine other hospitals in the North Central District Health Department including Antelope Memorial Hospital, Avera St Anthony's Hospital, Brown County Hospital, Cherry County Hospital, CHI Plainview, Niobrara Valley Hospital, Osmond General Hospital, Rock County Hospital and West Holt Memorial Hospital   |
| Avera Sacred Heart Hospital | Part V, Section B, Line 11 The 2015 Implementation Plan has addressed nutrition education, healthy choices, and awareness in the community and to continues to increase care coordination between the hospital and clinical providers in service of our mutual patients and colleagues Nutrition The first need identified is to increase nutrition education, healthy choices and community awareness of the issue Avera Sacred Heart Hospital will implement quarterly nutrition education opportunities at various community events Avera Sacred Heart Hospital will also provide nutrition tips such as portion control, healthy recipes and basic cooking tips quarterly on their Facebook page Avera Sacred Heart Hospital will introduce and encourage updated vending options and snack bars to reflect the Good & Healthy SD vending criteria Avera Sacred Heart Hospital was instrumental in establishing the Yankton Food Council which provides monthly education and recipes The Yankton Food Council hosted a Conversation on Hunger at Avera Sacred Heart Hospital Pavilion in July 2017 Twenty-seven individuals representing twenty-three different agencies, non-profits, South Dakota Social Services, health care, and local business leaders gathered to discuss food insecurities specifically in Yankton and in the surrounding communities as well Much of the discussion focused on lack of access to health food choices Avera Sacred Heart Hospital continues its commitment to provide quality nutrition education in its service area Increase Care Coordination Avera Sacred Heart has established a Chief Medical Officer position that has the primary responsibility of developing and strengthening physician and clinic relationships In April 2017, Avera Sacred Heart Hospital purchased the 10-bed Lewis and Clark Specialty Hospital and Medical Office Building in Yankton, South Dakota Avera Sacred Heart Hospital now has a primary care clinic in Yankton staffed by one physician and two advanced care providers Avera Sacred Heart Hospital requested from and granted access to electronic medical records within the hospital and various local clinics to facilitate a better flow of information for patient care where applicable and when appropriate |

**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   |
|-----------------------------|---|
| Avera Creighton Hospital    | Part V, Section B, Line 11 The most significant need identified was weight management, including increased nutrition education, healthy choices and awareness in the community and increased physical activity in the community Creighton has continued to offer a community Wellness Center that is the only one in our service area We also offer reduced rates for Senior Citizens, employees and subscribers paying an annual fee Avera offers through our marketing an education departments news and educational articles on healthy eating and wellness choices We also offer the "Know Your Numbers" every weekday Our vending and dietary services offer healthy meals and meal choices We have also redone our vending machines to make snack choices "healthier" offerings Aging Population and Related illnesses - We continue to operate our 47-bed nursing home/skilled nursing facility, the Avera Creighton Care Centre There we offer Adult Day Care, respite care and other services as appropriate Housing/Environmental - The Creighton Chamber and Knox County Economic Development are groups we consider partners We involve ourselves with those groups for economic development, recruitment, retention, and housing efforts We also continue to lead or participate in emergency preparedness including common farm accidents and weather events Mental Health and substance abuse continue to be a challenge and we continue to offer on-site and telemedicine services We also participate in Avera wide opioid and mental health initiatives |
| Avera Sacred Heart Hospital | Part V, Section B, Line 13h Presumptive charity care may be applied in situations where all other avenues of financial assistance have been exhausted The facility has the discretion to weigh extenuating circumstances when determining eligibility for and the amount of charity care to provide   |

**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   |
|-----------------------------|---|
| Avera Creighton Hospital    | Part V, Section B, Line 13h Presumptive charity care may be applied in situations where all other avenues of financial assistance have been exhausted The facility has the discretion to weigh extenuating circumstances when determining eligibility for and the amount of charity care to provide                 |
| Avera Sacred Heart Hospital | Part V, Section B, Line 16j A summary of the financial assistance policy is posted in the hospital facility's emergency rooms, waiting rooms, and admissions office and included on the billing statement In addition, the financial assistance policy is discussed with the patient upon admission to the facility |

**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   |
|-----------------------------|---|
| Avera Creighton Hospital    | Part V, Section B, Line 16j A summary of the financial assistance policy is posted in the hospital facility's emergency rooms, waiting rooms, and admissions office and included on the billing statement In addition, the financial assistance policy is discussed with the patient upon admission to the facility |
| Avera Sacred Heart Hospital | Part V, Section B, Line 20e If a patient is self-pay and has a large balance, an Avera patient advocate will help them apply for other forms of assistance If they are not eligible for any other coverage, the patient is given a financial assistance application to complete and return to the facility          |

**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  |
|-----------------------------|--|
| Avera Creighton Hospital    | Part V, Section B, Line 20e If a patient is self-pay and has a large balance, an Avera patient advocate will help them apply for other forms of assistance If they are not eligible for any other coverage, the patient is given a financial assistance application to complete and return to the facility |
| Avera Sacred Heart Hospital | Part V, Section B, Line 24 The hospital financial assistance policy does not cover elective procedures The hospital may have charged FAP eligible patients gross charges for services that are not covered under the financial assistance policy   |

**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  |
|--|--|
| Avera Creighton Hospital                 | Part V, Section B, Line 24 The hospital financial assistance policy does not cover elective procedures The hospital may have charged FAP eligible patients gross charges for services that are not covered under the financial assistance policy |
| Schedule H, Part V, Line 7a, 7b, and 10a | <a href="http://www.avera.org/about/community-health-needs-assessments/">www.avera.org/about/community-health-needs-assessments/</a>   |



**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   |
|--|---|
| Schedule H, Part V, Line 16a, 16b, and 16c | <a href="https://www.avera.org/patients-visitors/charity-patient-assistance-programs/financial-assistance-forms/">https://www.avera.org/patients-visitors/charity-patient-assistance-programs/financial-assistance-forms/</a> |

Schedule I (Form 990) Department of the Treasury Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22. Attach to Form 990. Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047 2017 Open to Public Inspection

Name of the organization Sacred Heart Health Services

Employer identification number 46-0225483

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000 Part II can be duplicated if additional space is needed

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section (if applicable), (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of noncash assistance, (h) Purpose of grant or assistance. Row 1: (1) Mount Marty College, 1105 W 8th Street, Yankton, SD 57078, EIN 46-0283336, IRC 501(c)(3), Amount 40,000, Purpose Healthcare education.

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . 1
3 Enter total number of other organizations listed in the line 1 table . . . . . 0

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of noncash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of noncash assistance |
|---------------------------------|--------------------------|--------------------------|----------------------------------|---|---------------------------------------|
| (1) Educational scholarships    | 4                        | 20,000                   |                                  |   |                                       |
| (2)                             |                          |                          |                                  |   |                                       |
| (3)                             |                          |                          |                                  |   |                                       |
| (4)                             |                          |                          |                                  |   |                                       |
| (5)                             |                          |                          |                                  |   |                                       |
| (6)                             |                          |                          |                                  |   |                                       |
| (7)                             |                          |                          |                                  |   |                                       |

**Part IV Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

| Return Reference | Explanation  |
|------------------|--|
| Part I, Line 2   | The Organization only makes grants to other organizations which are also tax-exempt. Individual scholarship recipients are selected by the University School of Medicine according to its criteria. In fiscal year 2018, 4 medical school students were chosen for \$5,000 scholarships. |

**Schedule J**  
**(Form 990)**

**Compensation Information**

OMB No 1545-0047

**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.**  
▶ **Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Sacred Heart Health Services

Employer identification number  
46-0225483

**Part I Questions Regarding Compensation**

|   | Yes       | No |
|---|-----------|----|
| <b>1a</b> 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   |           |    |
| <input type="checkbox"/> First-class or charter travel<br><input type="checkbox"/> Travel for companions<br><input type="checkbox"/> Tax indemnification and gross-up payments<br><input type="checkbox"/> Discretionary spending account   |           |    |
| <input type="checkbox"/> Housing allowance or residence for personal use<br><input type="checkbox"/> Payments for business use of personal residence<br><input type="checkbox"/> Health or social club dues or initiation fees<br><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                        |           |    |
| <b>b</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   | <b>1b</b> |    |
| <b>2</b> 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?   | <b>2</b>  |    |
| <b>3</b> 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 |           |    |
| <input type="checkbox"/> Compensation committee<br><input type="checkbox"/> Independent compensation consultant<br><input type="checkbox"/> Form 990 of other organizations   |           |    |
| <input type="checkbox"/> Written employment contract<br><input type="checkbox"/> Compensation survey or study<br><input type="checkbox"/> Approval by the board or compensation committee   |           |    |
| <b>4</b> 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  |           |    |
| <b>a</b> Receive a severance payment or change-of-control payment?  | <b>4a</b> | No |
| <b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?  | <b>4b</b> | No |
| <b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?<br>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III   | <b>4c</b> | No |
| <b>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>   |           |    |
| <b>5</b> 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  |           |    |
| <b>a</b> The organization?  | <b>5a</b> | No |
| <b>b</b> Any related organization?<br>If "Yes," on line 5a or 5b, describe in Part III  | <b>5b</b> | No |
| <b>6</b> 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  |           |    |
| <b>a</b> The organization?  | <b>6a</b> | No |
| <b>b</b> Any related organization?<br>If "Yes," on line 6a or 6b, describe in Part III  | <b>6b</b> | No |
| <b>7</b> 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  | <b>7</b>  | No |
| <b>8</b> 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  | <b>8</b>  | No |
| <b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?   | <b>9</b>  |    |



**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  |
|---------------------------|--|
| Schedule J, Part I Line 3 | The President/CEO and CFO-Avera Health are compensated by Avera Health. Avera Sacred Heart relied on the related organization for determining the compensation for the President/CEO and CFO-Avera Health using the methods described in Part I, Line 3. |

# Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 46-0225483  
**Name:** Sacred Heart Health Services

## 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 |  |                         |                                 |   |
| 1 Michael Peterson MD<br>Board Member & Physician   | (i)  | 541,430  | 50,201                              | 5,423                               | 13,500   | 26,147                  | 636,701                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 1 Douglas Ekeren<br>President & CEO                 | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 376,003  | 1,500                               | 124,776                             | 13,500   | 24,656                  | 540,435                         | 0   |
| 2 Jim Breckenridge<br>CFO Avera Health              | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 815,781  | 0                                   | 71,625                              | 13,500   | 20,616                  | 921,522                         | 0   |
| 3 Anthony Erickson<br>Exec Director-Senior Services | (i)  | 171,954  | 0                                   | 11,021                              | 9,301  | 26,405                  | 218,681                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 4 Gregory Taylor MD<br>Diagnostic Radiology         | (i)  | 506,171  | 153,061                             | 7,746                               | 13,500   | 29,609                  | 710,087                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 5 Steve Gutnik MD FACP<br>Gastroenterology          | (i)  | 659,834  | 96,007                              | 18,932                              | 13,500   | 11,769                  | 800,042                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 6 Matthew G Winkelbauer MD<br>Family Medicine/OB    | (i)  | 530,086  | 15,000                              | 1,746                               | 13,500   | 24,910                  | 585,242                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 7 Naila Qazi<br>Physician                           | (i)  | 386,435  | 226,803                             | 1,475                               | 13,500   | 28,471                  | 656,684                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 8 Wayne Schneidermann MD<br>Orthopedic Surgeon      | (i)  | 516,461  | 18,600                              | 41,208                              | 13,500   | 11,213                  | 600,982                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 9 Jamie Schaefer<br>Former Sec/Treas & VP Finance   | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 151,372  | 0                                   | 15,246                              | 8,088  | 17,498                  | 192,204                         | 0   |

**Schedule L**  
(Form 990 or 990-EZ)

**Transactions with Interested Persons**

OMB No 1545-0047

▶ **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.**  
 ▶ **Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**2017**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Sacred Heart Health Services

Employer identification number  
46-0225483

**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) Allison Diedrichsen       | Spouse of board member  | 30,806                    | Employee compensation          |   | No |
| (2) Mary Loecker              | Parent of board member  | 10,291                    | Employee compensation          |   | No |
| (3) Laura Alexander           | Child of officer  | 38,163                    | Employee compensation          |   | No |
| (4) Katherine Schild          | Child of officer  | 49,845                    | Employee compensation          |   | No |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |

**Part V Supplemental Information**

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

| Return Reference | Explanation |
|------------------|-------------|
|                  |             |

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue ServiceName of the organization  
Sacred Heart Health Services**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.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2017****Open to Public Inspection**

Employer identification number

46-0225483

**990 Schedule O, Supplemental Information**

| Return Reference                     | Explanation  |
|--------------------------------------|--|
| Form 990, Part VI, Section A, line 2 | Sr Lucille Welbig, Jim Breckenridge, and Douglas Ekeren have a business relationship |

## 990 Schedule O, Supplemental Information

| Return Reference                     | Explanation   |
|--------------------------------------|---|
| Form 990, Part VI, Section A, line 6 | The sole member of the organization is Avera Health, a nonprofit corporation organized and existing under the laws of the state of South Dakota and exempt under 501(c)(3) of the Internal Revenue Code of 1986, as amended |

## 990 Schedule O, Supplemental Information

| Return Reference                      | Explanation   |
|---------------------------------------|---|
| Form 990, Part VI, Section A, line 7a | Avera Health, as the sole member, has the power to appoint and remove, with or without cause, members of the board of directors |

**990 Schedule O, Supplemental Information**

| Return Reference                      | Explanation   |
|---------------------------------------|---|
| Form 990, Part VI, Section A, line 7b | <p>Avera Health, as the sole member, has the following rights as the Member</p> <ol style="list-style-type: none"><li>1) To approve the adoption, amendment or repeal of the statements of philosophy, mission and values of Corporation,</li><li>2) To initiate the adoption, amendment or repeal of any provision of the Articles of Incorporation or Bylaws of Corporation, and to give final approval of any such action with respect thereto,</li><li>3) To approve and act upon the alienation of real property and precious artifacts under the canonical stewardship of the Sisters of the Presentation of the Blessed Virgin Mary of Aberdeen, South Dakota ("Presentation Sisters") or the Benedictine Sisters of Sacred Heart Monastery ("Benedictine Sisters"), pursuant to the policies established by the Member,</li><li>4) To approve any plan of merger, consolidation or dissolution of the Corporation, or the divestiture of a sponsored work or ministry associated with the Corporation,</li><li>5) To approve the creation of new sponsored works or ministries to be conducted by or under the authority of the Corporation,</li><li>6) To appoint and remove, with or without cause, the Board of Directors of the Corporation</li><li>7) To appoint and/or remove, with or without cause, the President and Chief Executive Officer of the Corporation</li><li>8) To approve operating/capital budgets and strategic plans of the Corporation</li><li>9) To approve expenditures outside of operating and capital budgets exceeding defined thresholds according to policy which may be adopted from time to time by the Member</li><li>10) To approve acquisitions, sales and leases, according to policy which may be adopted from time to time by the Member</li><li>11) To establish and maintain employee benefit programs</li><li>12) To establish and maintain insurance programs</li><li>13) To approve major community fund drives</li><li>14) To approve the appointment of auditors</li><li>15) To adopt policies designed to effectuate the reserved powers of the Member</li></ol> |

## 990 Schedule O, Supplemental Information

| Return Reference                       | Explanation  |
|--|--|
| Form 990, Part VI, Section B, line 11b | The Form 990 is reviewed by the Avera Health VP of Financial Reporting, Tax Manager, Facility CEO and Finance Committee (if applicable) After initial review the Form 990 is made available to the Board and other Operation Finance Leaders |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>                | <b>Explanation</b>  |
|--|---|
| Form 990, Part VI, Section B, line 12c | <p>The conflict of interest policy covers board members, officers and key employees. At each board meeting, a request is made for all Board members to disclose any potential conflict of interest pertaining to any item listed on the agenda or pertaining to any potential item that could be discussed during the course of the meeting. The declaration of conflict of interest is recorded in the meeting minutes. The board makes a determination of whether there is a conflict of interest and if so, implements the procedure for evaluating the issue or transaction involved. The board member or officer with the conflict must refrain from voting. A statement of conflict of interest disclosure is made on an annual basis by officers and board members. The information is maintained in a database and a report is provided to the Board.</p> |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>                | <b>Explanation</b>   |
|--|--|
| Form 990, Part VI, Section B, line 15b | The CEO was compensated by Avera Health System. Annually the Compensation Committee of Avera Health, which is comprised of six (6) System Members appointed by the Religious Orders, meets with an independent consultant regarding fair market value of officers and key employees. The Compensation Committee approves all salaries based on comparable data and documents the basis for their decision in meeting minutes. Depending on the individual's role with the organization, some officers and key employees are compensated by Avera Sacred Heart. |



## 990 Schedule O, Supplemental Information

| Return Reference                      | Explanation   |
|---------------------------------------|---|
| Form 990, Part VI, Section C, line 19 | The organization's governing documents and conflict of interest policy are not made available to the general public. The Organization's financial statements are attached to the Form 990 per IRS instructions and therefore available to the general public. |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>     | <b>Explanation</b>   |
|-----------------------------|--|
| Form 990, Part IX, line 11g | Repairs and Maintenance Program service expenses 2,617,116 Management and general expenses 32,512 Fundraising expenses 0 Total expenses 2,649,628 Consulting Program service expenses 616,029 Management and general expenses 7,700 Fundraising expenses 0 Total expenses 623,729 ACS Fees Program service expenses 0 Management and general expenses 10,089,073 Fundraising expenses 0 Total expenses 10,089,073 Other Fees Program service expenses 6,979,605 Management and general expenses 4,163,708 Fundraising expenses 212 Total expenses 11,143,525 |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>   | <b>Explanation</b>   |
|---------------------------|--|
| Form 990, Part XI, line 9 | Capital transfers, net -859,809 Change in fair value of interest rate swap 96,882 Net as sets released from donor restrictions -172,417 Other change in net assets held by Avera Health Foundation 228,878 |

## 990 Schedule O, Supplemental Information

| Return Reference            | Explanation  |
|-----------------------------|--|
| Form 990, Part XII, Line 2c | The Audit Committee of Avera Health, parent organization, selects the auditor and reviews the audited financial statements for Avera Health, which includes Sacred Heart Health Services |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>    | <b>Explanation</b>  |
|----------------------------|---|
| Form 990, Part VI, Line 16 | There is no written policy or procedure. In the event of any such proposed transaction, the board or a committee with delegated authority reviews all materials, valuations and operational aspects for any proposed transaction. Such transaction would be evaluated in accordance with the exempt status of the organization and its applicable purposes. Any transaction also would be approved by the board and the member. |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>   | <b>Explanation</b>   |
|---------------------------|--|
| Form 990, Part X, Line 20 | The issue price includes the filing organization's share of the entire bond issue, which was issued to Avera Health on behalf of the Avera Obligated Group. The Avera Obligated Group consists of Avera Health, Avera McKennan, Avera St. Luke's, Avera Queen of Peace, Avera Marshall, Avera St. Mary's, Avera St. Anthony's, Avera St. Benedict, Avera Holy Family, Avera Tyler, Avera Gettysburg, Avera at Home, and Sacred Heart Health Services. In accordance with IRS instructions, information related to the tax exempt bond reporting is being reported on Avera Health's tax return (EIN 46-0422673). |

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2017**

**Open to Public Inspection**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Sacred Heart Health Services

**Employer identification number**

46-0225483

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>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.

See Additional Data Table

| (a)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary<br>activity | (c)<br>Legal<br>domicile<br>(state<br>or<br>foreign<br>country) | (d)<br>Direct<br>controlling<br>entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-<br>514) | (f)<br>Share of<br>total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>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)<br>Name, address, and EIN of<br>related organization   | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section 512(b)<br>(13) controlled<br>entity? |    |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|---|--------------------------------|---|----|
|  |                         |   |                                     |  |                                 |   |                                | Yes   | No |
| <b>(1)</b> Valley Health Services Inc<br>501 Summit Street<br>Yankton, SD 57078<br>46-0357149                          | Rental real estate      | SD  | N/A                                 | C  |                                 |   |                                |   | No |
| <b>(2)</b> Accounts Management Inc<br>5132 S Cliff Ave Suite 101<br>Sioux Falls, SD 57108<br>46-0373021                | Collection agency       | SD  | N/A                                 | C  |                                 |   |                                |   | No |
| <b>(3)</b> Avera Property Insurance Inc<br>610 W 23rd St Ste 1 PO Box 38<br>Yankton, SD 57078<br>46-0463155            | Insurance               | SD  | N/A                                 | C  |                                 |   |                                |   | No |
| <b>(4)</b> Alucent Medical Inc<br>1325 S Cliff Avenue PO Box 5045<br>Sioux Falls, SD 571175045<br>47-1818349           | Biotech Research        | SD  | N/A                                 | C  |                                 |   |                                |   | No |
| <b>(5)</b> South Dakota State Medical Holding Company Inc<br>2600 W 49th Street<br>Sioux Falls, SD 57105<br>46-0401087 | Insurance               | SD  | N/A                                 | C  |                                 |   |                                |   | No |
| <b>(6)</b> DakotaCare Administrative Services Inc<br>2600 W 49th Street<br>Sioux Falls, SD 57105<br>46-0424322         | Insurance               | SD  | N/A                                 | C  |                                 |   |                                |   | 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

|  | Yes       | No  |
|--|-----------|-----|
| <b>1</b> 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? |           |     |
| <b>a</b> Receipt of <b>(i)</b> interest, <b>(ii)</b> annuities, <b>(iii)</b> royalties, or <b>(iv)</b> rent from a controlled entity . . . . .               | <b>1a</b> | No  |
| <b>b</b> Gift, grant, or capital contribution to related organization(s) . . . . .   | <b>1b</b> | No  |
| <b>c</b> Gift, grant, or capital contribution from related organization(s) . . . . .   | <b>1c</b> | No  |
| <b>d</b> Loans or loan guarantees to or for related organization(s) . . . . .  | <b>1d</b> | No  |
| <b>e</b> Loans or loan guarantees by related organization(s) . . . . .   | <b>1e</b> | No  |
| <b>f</b> Dividends from related organization(s) . . . . .  | <b>1f</b> | No  |
| <b>g</b> Sale of assets to related organization(s) . . . . .   | <b>1g</b> | No  |
| <b>h</b> Purchase of assets from related organization(s) . . . . .   | <b>1h</b> | No  |
| <b>i</b> Exchange of assets with related organization(s) . . . . .   | <b>1i</b> | No  |
| <b>j</b> Lease of facilities, equipment, or other assets to related organization(s) . . . . .  | <b>1j</b> | Yes |
| <b>k</b> Lease of facilities, equipment, or other assets from related organization(s) . . . . .  | <b>1k</b> | No  |
| <b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) . . . . .  | <b>1l</b> | Yes |
| <b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) . . . . .   | <b>1m</b> | Yes |
| <b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .   | <b>1n</b> | No  |
| <b>o</b> Sharing of paid employees with related organization(s) . . . . .  | <b>1o</b> | Yes |
| <b>p</b> Reimbursement paid to related organization(s) for expenses . . . . .  | <b>1p</b> | Yes |
| <b>q</b> Reimbursement paid by related organization(s) for expenses . . . . .  | <b>1q</b> | No  |
| <b>r</b> Other transfer of cash or property to related organization(s) . . . . .   | <b>1r</b> | No  |
| <b>s</b> Other transfer of cash or property from related organization(s) . . . . .   | <b>1s</b> | No  |

**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)<br>Name of related organization                     | (b)<br>Transaction type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|---|-------------------------------|------------------------|--|
| (1) Lewis and Clark Health Education and Service Agency | L                             | 98,874                 | Recorded in General Ledger                   |
| (2) Lewis and Clark Health Education and Service Agency | M                             | 219,074                | Recorded in General Ledger                   |
|   |                               |                        |  |
|   |                               |                        |  |
|   |                               |                        |  |
|   |                               |                        |  |



**Part VII** **Supplemental Information**

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

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 46-0225483  
**Name:** Sacred Heart Health Services

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

| (a)<br>Name, address, and EIN of related organization                  | (b)<br>Primary activity                 | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512 (b)(13) controlled entity? |    |
|--|---|--|----------------------------|---|----------------------------------|---|----|
|  |   |  |                            |   |                                  | Yes   | No |
| 3900 West Avera Drive Suite 300<br>Sioux Falls, SD 57108<br>46-0422673 | Healthcare services                     | SD   | 501(c)(3)                  | Line 10   | N/A                              |   | No |
| 5116 S Solberg Ave<br>Sioux Falls, SD 57108<br>46-0399291              | Home Services                           | SD   | 501(c)(3)                  | Line 10   | Avera Health                     |   | No |
| 1000 W 4th Street Suite 9<br>Yankton, SD 57078<br>46-0337013           | Healthcare education                    | SD   | 501(c)(3)                  | Line 10   | Sacred Heart Health Services     | Yes   |    |
| 300 N 2nd Street<br>ONeill, NE 68763<br>47-0463911                     | Healthcare services                     | NE   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 826 North 8th Street<br>Estherville, IA 51334<br>42-0680370            | Healthcare services                     | IA   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 826 North 8th Street<br>Estherville, IA 51334<br>42-1317452            | Support health related services         | IA   | 501(c)(3)                  | Line 10   | Avera Holy Family                |   | No |
| 300 S Bruce St<br>Marshall, MN 56258<br>41-0919153                     | Healthcare services                     | MN   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 401 West Glynn Drive<br>Parkston, SD 57366<br>46-0226738               | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| West Glynn Drive PO Box B<br>Parkston, SD 57366<br>46-0458725          | Support health related services         | SD   | 501(c)(3)                  | Line 12a, I   | St Benedict Health Center        |   | No |
| 1325 S Cliff Ave PO Box 5045<br>Sioux Falls, SD 57117<br>46-0224743    | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 525 N Foster Street<br>Mitchell, SD 57301<br>46-0224604                | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 305 South State Street<br>Aberdeen, SD 57401<br>46-0224598             | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 606 East Garfield<br>Gettysburg, SD 57442<br>46-0234354                | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera St Mary's                  |   | No |
| 801 East Sioux Avenue<br>Pierre, SD 57501<br>46-0230199                | Healthcare services                     | SD   | 501(c)(3)                  | Line 3  | Avera Health                     |   | No |
| 240 Willow Street<br>Tyler, MN 56178<br>41-0853163                     | Healthcare services                     | MN   | 501(c)(3)                  | Line 3  | Avera Marshall                   |   | No |
| 3900 West Avera Drive Suite 101<br>Sioux Falls, SD 57108<br>46-0451539 | Health financing and health plans admin | SD   | 501(c)(4)                  |   | Avera Health                     |   | No |

