

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.

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

OMB No. 1545-0047
2018
Open to Public Inspection

A For the **2019** calendar year, or tax year beginning **07-01-2018**, and ending **06-30-2019**

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

C Name of organization
SALEM HEALTH

% SALEM HEALTH
Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
890 OAK STREET

City or town, state or province, country, and ZIP or foreign postal code
SALEM, OR 97301

D Employer identification number
93-0579722

E Telephone number
(503) 814-1938

G Gross receipts \$ 850,697,397

F Name and address of principal officer:
JAMES PARR
890 OAK STREET
SALEM, OR 97301

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 ▶

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

J Website: ▶ WWW.SALEMHEALTH.ORG

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: 1970 **M** State of legal domicile: OR

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO IMPROVE THE HEALTH AND WELL BEING OF THE PEOPLE IN THE COMMUNITIES WE SERVE

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

3 Number of voting members of the governing body (Part VI, line 1a)	3	13
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	5,454
6 Total number of volunteers (estimate if necessary)	6	505
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,652,476
b Net unrelated business taxable income from Form 990-T, line 34	7b	477,421

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	1,056,591	280,398
9 Program service revenue (Part VIII, line 2g)	783,829,055	817,092,478
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	31,831,446	29,554,053
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	542,703	780,603
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	817,259,795	847,707,532
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	807,294	743,743
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	412,741,884	442,907,802
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	321,264,712	327,142,462
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	734,813,890	770,794,007
19 Revenue less expenses. Subtract line 18 from line 12	82,445,905	76,913,525
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	1,306,434,818	1,399,234,388
21 Total liabilities (Part X, line 26)	385,873,792	392,328,484
22 Net assets or fund balances. Subtract line 21 from line 20	920,561,026	1,006,905,904

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: JAMES PARR CFO
Date: 2020-05-21
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name: KPMG LLP
Preparer's signature: [Signature]
Date: 2020-05-20
Check if self-employed
PTIN: P01490170
Firm's name: KPMG LLP
Firm's EIN: [EIN]
Firm's address: 1918 Eighth Avenue Suite 2900
Phone no.: (206) 913-4000
Seattle, WA 98101

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:

TO IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

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 \$ 119,090,106 including grants of \$) (Revenue \$ 367,771,664)
See Additional Data

4b (Code:) (Expenses \$ 535,899,306 including grants of \$) (Revenue \$ 424,087,165)
See Additional Data

4c (Code:) (Expenses \$ 40,510,003 including grants of \$ 743,743) (Revenue \$ 23,655,409)
See Additional Data

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

4e Total program service expenses ▶ 695,499,415

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, and Yes/No response columns. Rows include questions 1 through 22 regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 23-38 covering various organizational requirements and schedules J through O.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with 3 columns: Question, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

<p>2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return</p>	2a	5,454			
<p>b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note.If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>	2b		Yes		
<p>3a Did the organization have unrelated business gross income of \$1,000 or more during the year?</p>	3a		Yes		
<p>b If "Yes," has it filed a Form 990-T for this year?<i>If "No" to line 3b, provide an explanation in Schedule O</i></p>	3b		Yes		
<p>4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?</p>	4a				No
<p>b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).</p>					
<p>5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?</p>	5a				No
<p>b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?</p>	5b				No
<p>c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?</p>	5c				
<p>6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?</p>	6a				No
<p>b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?</p>	6b				
7 Organizations that may receive deductible contributions under section 170(c).					
<p>a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?</p>	7a				No
<p>b If "Yes," did the organization notify the donor of the value of the goods or services provided?</p>	7b				
<p>c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?</p>	7c				No
<p>d If "Yes," indicate the number of Forms 8282 filed during the year</p>	7d				
<p>e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</p>	7e				No
<p>f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?</p>	7f				No
<p>g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?</p>	7g				
<p>h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?</p>	7h				
8 Sponsoring organizations maintaining donor advised funds.					
<p>Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?</p>	8				
<p>9a Did the sponsoring organization make any taxable distributions under section 4966?</p>	9a				
<p>b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?</p>	9b				
10 Section 501(c)(7) organizations. Enter:					
<p>a Initiation fees and capital contributions included on Part VIII, line 12</p>	10a				
<p>b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities</p>	10b				
11 Section 501(c)(12) organizations. Enter:					
<p>a Gross income from members or shareholders</p>	11a				
<p>b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)</p>	11b				
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
<p>b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.</p>	12b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
<p>a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.</p>	13a				
<p>b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans</p>	13b				
<p>c Enter the amount of reserves on hand</p>	13c				
<p>14a Did the organization receive any payments for indoor tanning services during the tax year?</p>	14a				No
<p>b If "Yes," has it filed a Form 720 to report these payments?<i>If "No," provide an explanation in Schedule O</i></p>	14b				
<p>15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N</p>	15				No
<p>16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O</p>	16				No

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI



Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (13); 1b Enter the number of voting members included in line 1a, above, who are independent (13); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (No); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (No); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (Yes); 15b Other officers or key employees of the organization (Yes); If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (No); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed OR
18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[] Own website [] Another's website [x] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records:
SALEM HEALTH 890 OAK STREET SE SALEM, OR 97301 (503) 814-1938

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) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
1c Total from continuation sheets to Part VII, Section A										
1d Total (add lines 1b and 1c)								10,547,679	0	1,341,149

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 ▶ 783		
----------	---	--	--

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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) Name and business address	(B) Description of services	(C) Compensation
OREGON HEALTH SCIENCE UNIVERSITY, 3181 SW SAM JACKSON PARK RD Portland, OR 972393098	CONTRACT LABOR	5,993,095
EPIC SYSTEMS CORP, PO BOX 88314 Milwaukee, WI 532880314	CONSULTING SERVICES	3,564,911
INX LLC, PO BOX 677638 Dallas, TX 752677638	HARDWARE SUPPORT	2,540,787
ARUP LABORATORIES, PO BOX 27964 Salt Lake City, UT 84127	LABORATORY SERVICES	2,030,182
AMN LOS ANGELES, PO BOX 56157 Los Angeles, CA 900746157	CONTRACT LABOR	1,927,812

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 ▶ 97	
----------	---	--

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a			
	b Membership dues . . .	1b			
	c Fundraising events . . .	1c			
	d Related organizations	1d	280,398		
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	0		
	g Noncash contributions included in lines 1a - 1f: \$ _____				
h Total. Add lines 1a-1f		280,398			

Program Service Revenue			Business Code			
	2a NET PATIENT SERVICE REVENUE		621110	795,771,113	795,771,113	
b Other Hospital services		900099	12,513,949	12,382,726	131,223	
c PHARMACY		446110	6,592,292	5,092,129	1,500,163	
d REGIONAL LAB		621500	1,349,364	328,274	1,021,090	
e NUTRITION/VALUE BASED CARE		722210	865,760	865,760		
f All other program service revenue.						
g Total. Add lines 2a-2f			817,092,478			

Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			30,336,622			30,336,622
	4 Income from investment of tax-exempt bond proceeds			0			
	5 Royalties			0			
	6a Gross rents	(i) Real	(ii) Personal				
		715,153					
	b Less: rental expenses	1,008,786					
	c Rental income or (loss)	-293,633	0				
	d Net rental income or (loss)			-293,633			-293,633
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			1,198,510				
	b Less: cost or other basis and sales expenses		1,981,079				
	c Gain or (loss)		-782,569				
	d Net gain or (loss)			-782,569			-782,569
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	0				
	b Less: direct expenses	b	0				
c Net income or (loss) from fundraising events			0				
9a Gross income from gaming activities. See Part IV, line 19	a	0					
b Less: direct expenses	b	0					
c Net income or (loss) from gaming activities			0				
10a Gross sales of inventory, less returns and allowances	a	0					
b Less: cost of goods sold	b	0					
c Net income or (loss) from sales of inventory			0				
Miscellaneous Revenue	Business Code						
11a Passthrough Income	541900		1,074,236	1,074,236			
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d			1,074,236				
12 Total revenue. See Instructions.			847,707,532	815,514,238	2,652,476	29,260,420	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	560,767	560,767		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	182,976	182,976		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	6,479,935		6,479,935	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	341,208,388	313,157,990	28,050,398	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	0			
9 Other employee benefits	71,021,837	63,968,371	7,053,466	
10 Payroll taxes	24,197,642	21,794,477	2,403,165	
11 Fees for services (non-employees):				
a Management	771,284	771,284		
b Legal	1,355,501	15,168	1,340,333	
c Accounting	424,320	349,665	74,655	
d Lobbying	75,000		75,000	
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	25,496,724	22,029,526	3,467,198	
12 Advertising and promotion	103,290		103,290	
13 Office expenses	7,567,107	4,193,625	3,373,482	
14 Information technology	6,657,250	1,378,752	5,278,498	
15 Royalties	0			
16 Occupancy	22,261,680	12,675,195	9,586,485	
17 Travel	1,049,310	661,963	387,347	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	796,968	616,056	180,912	
20 Interest	10,535,457	10,535,457		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	45,469,068	45,469,068		
23 Insurance	4,261,104	4,261,104		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PATIENT SUPPLIES	113,918,140	113,380,637	537,503	
b PROVIDER TAX	44,011,628	44,011,628		
c BAD DEBTS	23,932,066	23,932,066		
d Other Purchased Services	12,113,462	10,346,610	1,766,852	
e All other expenses	6,343,103	1,207,030	5,136,073	
25 Total functional expenses. Add lines 1 through 24e	770,794,007	695,499,415	75,294,592	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	535,623	1	454,184
	2 Savings and temporary cash investments	14,572,136	2	12,555,367
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	87,867,240	4	103,925,303
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	545,456	7	632,371
	8 Inventories for sale or use	6,689,498	8	7,525,578
	9 Prepaid expenses and deferred charges	6,274,832	9	8,790,526
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	1,016,204,892		
	b Less: accumulated depreciation	518,742,955		
	11 Investments—publicly traded securities	674,691,909	11	729,653,923
	12 Investments—other securities. See Part IV, line 11	0	12	0
	13 Investments—program-related. See Part IV, line 11	15,672,505	13	24,141,214
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	22,565,264	15	14,093,985
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,306,434,818	16	1,399,234,388	
Liabilities	17 Accounts payable and accrued expenses	83,977,757	17	93,526,918
	18 Grants payable	0	18	0
	19 Deferred revenue	525,200	19	82,780
	20 Tax-exempt bond liabilities	278,251,740	20	272,967,121
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	164,174	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D	22,954,921	25	25,751,665
	26 Total liabilities. Add lines 17 through 25	385,873,792	26	392,328,484
Net Assets or Fund Balances	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. Unrestricted net assets	917,643,621	27	1,003,876,479
	28 Temporarily restricted net assets	2,917,405	28	3,029,425
	29 Permanently restricted net assets	0	29	0
	30 Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	920,561,026	33	1,006,905,904
	34 Total liabilities and net assets/fund balances	1,306,434,818	34	1,399,234,388

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	847,707,532
2	Total expenses (must equal Part IX, column (A), line 25)	2	770,794,007
3	Revenue less expenses. Subtract line 2 from line 1	3	76,913,525
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	920,561,026
5	Net unrealized gains (losses) on investments	5	11,676,210
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-2,244,857
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,006,905,904

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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

Additional Data

Software ID:

Software Version:

EIN: 93-0579722

Name: SALEM HEALTH

Form 990 (2018)

Form 990, Part III, Line 4a:

SALEM HEALTH IS ONE OF THE LARGEST OF OREGON'S 59 ACUTE CARE HOSPITALS AND OPERATES THE BUSIEST EMERGENCY DEPARTMENT IN OREGON. THERE ARE 488 PRACTITIONERS, REPRESENTING 54 DIFFERENT SPECIALTIES. MORE THAN 505 VOLUNTEERS PROVIDE NON-MEDICAL SUPPORT FOR THE HOSPITAL. STATISTICS FOR THE 12 MONTH PERIOD ENDED 6/30/19: BIRTHS - 3,432, DIAGNOSTIC IMAGING PROCEDURES - 200,763, ED VISITS - 108,607, INPATIENT ADMISSIONS - 27,225, LABORATORY PROCEDURES - 1,450,292, SURGERIES - 14,053. THE PRIMARY SERVICE AREA IS MARION AND POLK COUNTIES WITH APPROXIMATELY 430,000 RESIDENTS.

Form 990, Part III, Line 4b:

SALEM HEALTH PROVIDES HEALTHCARE TO PEOPLE IN OUR COMMUNITY REGARDLESS OF THEIR ABILITY TO PAY. IN THE 12 MONTH PERIOD ENDED 6/30/19, THE COST OF SERVICES PROVIDED AS A COMMUNITY BENEFIT TOTAL \$111.8 MILLION. THIS FIGURE CONSISTED OF \$19.2 MILLION IN COSTS TO PROVIDE CHARITY CARE TO INDIVIDUALS WHO CANNOT AFFORD TO PAY; \$42.2 MILLION IN UNDERPAYMENT BY MEDICAID AS THE AMOUNT PAID WAS LESS THAN THE COST TO PROVIDE THE SERVICES; AND \$50.4 MILLION IN UNDERPAYMENT BY MEDICARE AS THE AMOUNT PAID WAS LESS THAN THE COST TO PROVIDE THE SERVICES.

Form 990, Part III, Line 4c:

SALEM HEALTH ACTIVELY PARTICIPATES IN COMMUNITY HEALTH IMPROVEMENT SERVICES. IN THE 12 MONTH PERIOD ENDED 6/30/19, SALEM HEALTH GAVE \$24.9 MILLION FOR UNFUNDED OR UNDERFUNDED HEALTH SERVICES, COMMUNITY HEALTH EDUCATION AND PREVENTION PROGRAMS. THE HOSPITAL HAS AN ACTIVE SPEAKERS BUREAU PROVIDING FREE HEALTH LECTURES TO COMMUNITY GROUPS. HEALTH SCREENINGS, SUPPORT GROUPS AND EDUCATION CLASSES ARE OFFERED ON AN ON-GOING BASIS. IN FY 2019, SALEM HEALTH PROVIDED MORE THAN \$400,000 IN CASE AND IN-KIND DONATIONS TO COMMUNITY HEALTH PROGRAMS SUCH AS MEDASSIST AND PROJECT ACCESS, PSYCHIATRIC CRISIS CENTER AND THE SALEM FREE CLINIC.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ricardo Linares Trustee	2.0	X						0	0	0
Kenneth Sherman Jr Trustee	3.5	X						0	0	0
Robert Wells Trustee	1.0	X						0	0	0
Cheryl Nester Wolfe President & CEO	2.3			X				1,089,162	0	60,230
James Parr Chief Financial Officer	8.1			X				586,361	0	94,858
Ralph Yates CMO Salem Health and SHMG	5.1				X			610,012	0	82,272
Leah Mitchell CIO/VP Kaizen Quality & Safety	40.0				X			548,027	0	86,980
Bahaa Wanly Chief Operating Officer	40.0				X			454,461	0	78,514
Laurie Barr Chief HR Officer - END 1/19/19	40.0				X			428,628	0	81,077
Sarah Horn Chief Nursing Officer	40.0				X			409,682	0	80,553

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Christine Clarke General Surgeon	20.0 0.0				X			297,395	0	37,620
Andrew Furman VP Med Affairs - End 2/25/18	40.0 0.0				X			281,830	0	19,039
Denise Hoover VP Surgical Services	40.0 0.0				X			264,317	0	64,813
Shea Corum VP IT Operations	40.0 0.0				X			260,909	0	63,486
Zennia Ceniza VP Clinical Operations	40.0 0.0				X			241,881	0	42,016
Leilani Slama VP Community Engagement	39.0 1.0				X			236,717	0	60,345
Jaime Nichols Interim VP Human Resources	40.0 0.0				X			178,568	0	46,513
Bruce Rodgers VP Medical Group - END 1/5/19	20.0 20.0				X			138,057	0	37,984
Juan Oyarzun Dir Cardiothoracic Medicine	40.0 0.0					X		1,183,341	0	85,299
Katherine Jones Cardiothoracic Surgeon	40.0 0.0					X		1,017,316	0	81,544

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Nervin Fanous Cardiothoracic Surgeon	40.0 0.0					X		1,009,720	0	76,282
Nicole VanDerHeyden SHMG Chief Medical Officer	40.0 0.0					X		689,629	0	93,013
Daniel Chen Neurology Physician	40.0 0.0					X		616,541	0	68,711

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

OMB No. 1545-0047
2018
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
SALEM HEALTH

Employer identification number
93-0579722

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture. See instructions. Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations _____
 - g Provide the following information about the supported organization(s).

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

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

(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grant.") . . .						
2	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf. . . .						
3	The value of services or facilities furnished by a governmental unit to the organization without charge..						
4	Total. Add lines 1 through 3						
5	The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). . .						
6	Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶		(a)2014	(b)2015	(c)2016	(d)2017	(e)2018	(f)Total
7	Amounts from line 4. . .						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. . . .						
9	Net income from unrelated business activities, whether or not the business is regularly carried on. . .						
10	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.). . .						
11	Total support. Add lines 7 through 10						
12	Gross receipts from related activities, etc. (see instructions)					12	

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14	Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	
15	Public support percentage for 2017 Schedule A, Part II, line 14	15	

16a 33 1/3% support test—2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test—2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

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 (or fiscal year beginning in) ▶		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .						
2	Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3	Gross receipts from activities that are not an unrelated trade or business under section 513 . . .						
4	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf. . .						
5	The value of services or facilities furnished by a governmental unit to the organization without charge						
6	Total. Add lines 1 through 5						
7a	Amounts included on lines 1, 2, and 3 received from disqualified persons						
b	Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year.						
c	Add lines 7a and 7b. . .						
8	Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9	Amounts from line 6. . .						
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. . .						
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975.						
c	Add lines 10a and 10b.						
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . .						
13	Total support. (Add lines 9, 10c, 11, and 12.) . . .						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here.**

Section C. Computation of Public Support Percentage

15	Public support percentage for 2018 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests—2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

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

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

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b	Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c	Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ) .</i>		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).</i>		

Part IV Supporting Organizations (continued)

		Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?		
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b	A family member of a person described in (a) above?		
c	A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization (s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally-Integrated Supporting Organizations

1	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
a	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions)		
2	Activities Test. Answer (a) and (b) below.		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
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>		
3	Parent of Supported Organizations. Answer (a) and (b) below.		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
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.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

- 7** 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)

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

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

Additional Data

Software ID:

Software Version:

EIN: 93-0579722

Name: SALEM HEALTH

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

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities
For Organizations Exempt From Income Tax Under section 501(c) and section 527

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

OMB No. 1545-0047

2018
Open to Public Inspection

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

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

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

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

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

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

Name of the organization SALEM HEALTH	Employer identification number 93-0579722
--	--

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)	90,000													
c	Total lobbying expenditures (add lines 1a and 1b)	90,000													
d	Other exempt purpose expenditures	695,409,415													
e	Total exempt purpose expenditures (add lines 1c and 1d)	695,499,415													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000													
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	97,242	135,334	127,723	90,000	450,299
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
SCHEDULE C, PART II-A	SALEM HEALTH CONTRACTED WITH PUBLIC AFFAIRS COUNSEL TO KEEP THE HOSPITAL APPRISED OF BILLS IN THE STATE LEGISLATURE AND TO ENGAGE THE LEGISLATORS ON BEHALF OF THE HOSPITAL WHEN NECESSARY TO PROVIDE INFORMATION TO LEGISLATORS REGARDING THE IMPACT OF LEGISLATION ON THE HOSPITAL. ADDITIONALLY, THE HOSPITAL PAYS MEMBERSHIP DUES TO OREGON ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS (OAHHS) AND AMERICAN HOSPITAL ASSOCIATION (AHA). A PORTION OF THE DUES TO THESE ORGANIZATIONS IS ALLOCATED TO LOBBYING ACTIVITY IN RELATION TO STATE AND NATIONAL HEALTHCARE ISSUES.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No. 1545-0047
2018
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.
▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization
SALEM HEALTH

Employer identification number
93-0579722

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes 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
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

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 |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . **Yes** **No**
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,910,663	2,579,755	3,345,110	2,619,320	2,560,192
b Contributions	414,192	458,243	373,134	683,999	318,689
c Net investment earnings, gains, and losses	82,322	190,571	-201,146	655,272	-66,873
d Grants or scholarships					
e Other expenditures for facilities and programs	425,435	317,906	937,343	613,481	192,688
f Administrative expenses					
g End of year balance	2,981,742	2,910,663	2,579,755	3,345,110	2,619,320

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Temporarily restricted endowment ▶ 100.000 %
- 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 |
| (i) unrelated organizations | 3a(i) | No |
| (ii) related organizations | 3a(ii) | Yes |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | 3b | Yes |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	13,075,728	23,124,460		36,200,188
b Buildings	22,305,358	606,315,944	290,150,477	338,470,825
c Leasehold improvements				
d Equipment		306,011,756	220,246,328	85,765,428
e Other		45,371,646	8,346,150	37,025,496
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . ▶				497,461,937

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

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

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (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	0
FAIR VALUE - INTEREST RATE SWAP	11,982,074
ACCRUED POST RETIREMENT BENEFIT	6,631,051
ACCRUED MALPRACTICE INSURANCE	4,156,390
DUE TO WVCH	2,764,172
LEASEHOLD INCENTIVES	91,479
OTHER LIABILITIES	126,499
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 25.)	▶ 25,751,665

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

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

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

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

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

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

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

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: 93-0579722

Name: SALEM HEALTH

Supplemental Information

Return Reference	Explanation
PART V, LINE 4:	ENDOWMENT FUNDS ARE HELD BY SALEM HEALTH FOUNDATION FOR SALEM HEALTH SUPPORT.

Supplemental Information

Return Reference	Explanation
PART X, LINE 2:	<p>UNCERTAIN TAX POSITIONS FROM THE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS ISSUED FOR SALEM HEALTH HOSPITALS AND CLINICS AND RELATED COMPANIES: THE CORPORATION (SALEM HEALTH HOSPITALS & CLINICS), SALEM HEALTH, SALEM HEALTH WEST VALLEY, SALEM HEALTH FOUNDATION, WEST VALLEY HOSPITAL FOUNDATION, SALEM HEALTH PROFESSIONAL SERVICES AND WILLAMETTE VALLEY INSURANCE CORPORATION ARE TAX-EXEMPT ORGANIZATIONS PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 501(C)(3). AS SUCH, ONLY UNRELATED BUSINESS INCOME IS SUBJECT TO FEDERAL OR STATE INCOME TAXES. MANAGEMENT HAS NOT RECORDED A PROVISION AS UNRELATED BUSINESS INCOME, IF ANY, IS IMMATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS. ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE THE CORPORATION TO EVALUATE TAX POSITIONS TAKEN BY THE CORPORATION AND RECOGNIZE A TAX LIABILITY (OR ASSET) IF THE CORPORATION HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE. MANAGEMENT HAS ANALYZED TAX POSITIONS TAKEN BY THE CORPORATION AND HAS CONCLUDED THAT AS OF JUNE 30, 2019 THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS. THE CORPORATION IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS. THE CORPORATION MANAGEMENT BELIEVES IT IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO FISCAL YEAR 2016.</p>

SCHEDULE H (Form 990)
 Department of the Treasury
 Internal Revenue Service
Name of the organization
 SALEM HEALTH

Hospitals

► **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
 ► **Attach to Form 990.**
 ► **Go to www.irs.gov/Form990EZ for instructions and the latest information.**

Employer identification number
 93-0579722

OMB No. 1545-0047
2018
Open to Public Inspection

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		46,470	19,184,794		19,184,794	2.490 %
b Medicaid (from Worksheet 3, column a)		117,861	177,544,445	135,347,733	42,196,712	5.470 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		164,331	196,729,239	135,347,733	61,381,506	7.960 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		43,245	3,575,539	89,356	3,486,183	0.450 %
f Health professions education (from Worksheet 5)		567	1,567,955		1,567,955	0.200 %
g Subsidized health services (from Worksheet 6)			42,815,218	23,558,165	19,257,053	2.500 %
h Research (from Worksheet 7)			188,759		188,759	0.020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		27,330	428,048		428,048	0.060 %
j Total. Other Benefits		71,142	48,575,519	23,647,521	24,927,998	3.230 %
k Total. Add lines 7d and 7j		235,473	245,304,758	158,995,254	86,309,504	11.190 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			30,976		30,976	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			2,139,321		2,139,321	0.280 %
9 Other						
10 Total			2,170,297		2,170,297	0.280 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		No
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.	2		
			23,932,067
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		
			13,658,934
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		117,281,538
6 Enter Medicare allowable costs of care relating to payments on line 5	6		127,268,795
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7		-9,987,257
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

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

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

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

1

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

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)
SALEM HEALTH

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
Community Health Needs Assessment			
1	Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C.		No
3	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12. If "Yes," indicate what the CHNA report describes (check all that apply):	Yes	
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The significant health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j	<input type="checkbox"/> Other (describe in Section C)		
4	Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>17</u>		
5	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	Yes	
6 a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	Yes	
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.	Yes	
7	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	Yes	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url): <u>www.salemhealth.org</u>		
b	<input checked="" type="checkbox"/> Other website (list url): <u>www.co.marion.or.us/HLT</u>		
c	<input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d	<input checked="" type="checkbox"/> Other (describe in Section C)		
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11.	Yes	
9	Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10	Is the hospital facility's most recently adopted implementation strategy posted on a website? If "Yes" (list url): <u>www.salemhealth.org/about/community</u>	Yes	
a			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		No
b	If "Yes" on line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" on line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

SALEM HEALTH

Name of hospital facility or letter of facility reporting group _____

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	Yes	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 300. _____ % and FPG family income limit for eligibility for discounted care of 400. _____ %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance discount		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	Yes	
15	Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	Yes	
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input checked="" type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	Yes	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>see Section C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>see Section C</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Section C</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j	<input type="checkbox"/> Other (describe in Section C)		

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

SALEM HEALTH

Name of hospital facility or letter of facility reporting group

		Yes	No	
17	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	Yes	
18	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
	a <input type="checkbox"/> Reporting to credit agency(ies)			
	b <input type="checkbox"/> Selling an individual's debt to another party			
	c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
	d <input type="checkbox"/> Actions that require a legal or judicial process			
	e <input type="checkbox"/> Other similar actions (describe in Section C)			
	f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:	19		No
	a <input type="checkbox"/> Reporting to credit agency(ies)			
	b <input type="checkbox"/> Selling an individual's debt to another party			
	c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
	d <input type="checkbox"/> Actions that require a legal or judicial process			
	e <input type="checkbox"/> Other similar actions (describe in Section C)			
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19. (check all that apply):			
	a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs			
	b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process			
	c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications			
	d <input checked="" type="checkbox"/> Made presumptive eligibility determinations			
	e <input type="checkbox"/> Other (describe in Section C)			
	f <input type="checkbox"/> None of these efforts were made			

Policy Relating to Emergency Medical Care

21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21	Yes	
	If "No," indicate why:			
	a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
	b <input type="checkbox"/> The hospital facility's policy was not in writing			
	c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
	d <input type="checkbox"/> Other (describe in Section C)			

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

SALEM HEALTH

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
23		No
24		No

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? 8

Name and address	Type of Facility (describe)
1 REHABILITATION CENTER 755 MISSION ST SE SALEM, OR 97302	REHABILITATION
2 LABORATORY PHILEBOTOMY SITE - HOPE 1600 STATE ST SALEM, OR 97301	LABORATORY SERVICES
3 COMPREHENSIVE PAIN CENTER 875 OAK STREET SALEM, OR 97302	PAIN MANAGEMENT
4 REGIONAL LABORATORY 3300 STATE ST SALEM, OR 97301	LABORATORY SERVICES
5 SALEM HEALTH MEDICAL CLINIC - KEIZER 550 DEITZ AVE NE KEIZER, OR 97303	CLINIC
6 SALEM HEALTH MEDICAL CLINIC - S SALEM 2925 RIVER RD S SALEM, OR 97302	CLINIC
7 SALEM HEALTH MEDICAL CLINIC - SALEM 966 12TH STREET SE SALEM, OR 97301	CLINIC
8 SALEM HEALTH MEDICAL CLINIC - W SALEM 1049 EDGEWATER ST NW SUITE 150 SALEM, OR 97304	CLINIC
9	
10	

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, LINE 3C:	Criteria considered in determining eligibility include, but are not limited to: 1. Household's gross income *The definition of 'household's gross income' includes the combined gross monthly income of all persons legally responsible for patient bill or balance. 2. Household's assets other than primary residence * Equity in a real estate (other than the patient/guarantor's primary residence), securities or other assets are considered available to pay the patient's medical expenses and should be included in the income calculation. * The income from income-producing real property should be used in the calculation rather than the equity. * Individual Retirement Accounts (IRAs) or other retirement funds will not be included in household assets; however distributions from those funds will be considered income. 3. Family size (persons legally responsible for the patient bill and their dependents) 4. The family's monthly out of pocket expenses for medical supplies and services 5. Eligibility may be contingent upon patient cooperation with the application process.
Part I, Line 6a & 6b:	A Community Benefit Report was published and is available at www.salemhealth.org .

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 7:	WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGES, WAS USED TO CALCULATE THE RATIO OF PATIENT CARE COST TO CHARGES (CCR). THIS CCR WAS THEN APPLIED TO THE CHARITY CARE, MEDICAID AND OTHER COMMUNITY BENEFIT RELATED EXPENSES TO CALCULATE THE COST.
PART I, LINE 7, COLUMN (F):	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$23,932,067.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
<p>PART II, COMMUNITY BUILDING ACTIVITIES:</p>	<p>SALEM HEALTH IS DEEPLY EMBEDDED IN THE COMMUNITY AND HOSPITAL LEADERS WORK HAND IN HAND WITH REPRESENTATIVES FROM GOVERNMENT AGENCIES AND OTHER NON-PROFIT ORGANIZATIONS TO ASSESS AND ADDRESS COMMUNITY NEEDS. THREE AREAS CURRENTLY IDENTIFIED AS PRIORITIES ARE ADOLESCENT MENTAL HEALTH, OBESITY AND TOBACCO. COMMUNITY WIDE TASK FORCES ARE IN PLACE TO ADDRESS THESE HEALTH NEEDS, WHICH ARE DEEMED MOST CRITICAL IN THE TWO COUNTIES SERVED BY SALEM HEALTH. REPRESENTATIVES FROM APPROPRIATE AREAS OF THE HOSPITAL ATTEND TASK FORCE MEETINGS AND LEVERAGE HOSPITAL RESOURCES TO POSITIVELY IMPACT HEALTH OUTCOMES. HOSPITAL LEADERS VOLUNTEER TIME TO SERVE ON COMMUNITY NON-PROFIT BOARDS WHICH MIRROR THE MISSION OF SALEM HEALTH AND ATTEND REGIONAL COLLABORATIVE WORK GROUPS THAT ADDRESS SOCIAL DETERMINANTS OF HEALTH. EXAMPLES INCLUDE BOARD POSITIONS ON SALEM FREE CLINIC, FAMILY BUILDING BLOCKS, MARION POLK FOOD SHARE, THE BOYS AND GIRLS CLUB, UNITED WAY, UNION GOSPEL MISSION, AND LIBERTY HOUSE. THE HOSPITAL PROVIDES COMMUNITY BASES HEALTH IMPROVEMENT SERVICES AS REQUESTED IN MARION AND POLK COUNTIES. IN 2017, THESE INCLUDED HEALTH SCREENINGS, EDUCATION AND OUTREACH. THE COMMUNITY HEALTH EDUCATION CENTER OFFERS A HEALTH RELATED LENDING LIBRARY, DROP-IN NURSING CONSULTATION SERVICES AND GROUP INSTRUCTION. DIABETIC AND NUTRITION COUNSELING IS ALSO OFFERED FOR PATIENTS NEWLY DIAGNOSED AND UNABLE TO PAY FOR THESE SERVICES. THE CENTER PROVIDES SPACE FREE OF CHARGE TO COMMUNITY PARTNERS SEEKING TO IMPROVE HEALTH OUTCOMES. THE ROOMS HOST CLASSES, LECTURES, HEALTH FAIRS AND SUPPORT GROUPS THAT ARE COORDINATED IN PARTNERSHIP WITH COMMUNITY AGENCIES. SALEM HEALTH PROVIDED COMMUNITY PARTNER GRANTS IN 2018 TO ENHANCE EXISTING NON-PROFIT ORGANIZATIONS' WORK THAT ADDRESSES NEEDS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT. ADDITIONAL FINANCIAL GRANTS ARE ISSUED TO NON-PROFITS THAT ADDRESS ACCESS TO HEALTH CARE FOR UN- AND UNDERINSURED POPULATIONS. LASTLY, THE HOSPITAL PROVIDES TRAINING FOR NURSING STUDENTS AND EMERGING HEALTH CARE PROFESSIONALS. ITS HEALTH CAREER EXPLORATION PROGRAMS FOR HIGH SCHOOL STUDENTS IN DISTRICTS THAT FALL WITHIN THE HOSPITAL CATCHMENT AREA SERVE HUNDREDS OF HIGH SCHOOL STUDENTS ASPIRING TO MEDICAL CAREERS. SALEM HEALTH HAS MORE THAN 450 VOLUNTEERS AND A STAFF OF THREE THAT COORDINATE COMMUNITY BUILDING ACTIVITIES. VOLUNTEERS RAISE MONEY FOR COMMUNITY SCHOLARSHIPS, COORDINATE JOB SHADOW OPPORTUNITIES AND ARRANGE FOR BLOOD DRIVES. IN 2017, SALEM HEALTH SPONSORED AN ORGANIZATION WIDE INITIATIVE TO ENCOURAGE EMPLOYEES TO VOLUNTEER IN THE LOCAL COMMUNITY. OVER THE COURSE OF THE YEAR, 83% OF DEPARTMENTS WITHIN THE HOSPITAL HAD AT LEAST ONE EMPLOYEE VOLUNTEER OUTSIDE THE HOSPITAL. GROUP VOLUNTEER OPPORTUNITIES WERE COORDINATED QUARTERLY, SUCH AS PARK BEAUTIFICATION AND SET UP OF LOCAL EVENTS. LEADERS AT ALL LEVELS WITHIN SALEM HEALTH SERVE ON COMMUNITY BOARDS AND TASK FORCES THAT ADDRESS COMMUNITY NEEDS. THE HOSPITAL WORKS WITH THE LOCAL MEDICAL COMMUNITY TO IDENTIFY GAPS IN CARE AND RECRUIT NEEDED PRIMARY CARE PROVIDERS AND SPECIALISTS TO IMPROVE ACCESS TO CARE. PHYSICIAN LEADERSHIP TRAINING IS OFFERED TO COMMUNITY PROVIDERS ACROSS THE SERVICE AREA.</p>
<p>PART III, LINE 2:</p>	<p>BAD DEBT EXPENSE IS PRIMARILY ESTIMATED BASED UPON THE HOSPITALS' HISTORICAL COLLECTION EXPERIENCE, THE AGE OF THE PATIENT'S ACCOUNT, THE PATIENT'S ECONOMIC ABILITY TO PAY, AND THE EFFECTIVENESS OF COLLECTION EFFORTS. PATIENT ACCOUNTS RECEIVABLE BALANCES ARE ROUTINELY REVIEWED IN CONJUNCTION WITH HISTORICAL COLLECTION RATES AND OTHER ECONOMIC CONDITIONS THAT MIGHT ULTIMATELY AFFECT THE COLLECTABILITY OF PATIENT ACCOUNTS WHEN CONSIDERING THE ADEQUACY OF THE AMOUNTS RECORDED IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. ACTUAL WRITE-OFFS HISTORICALLY HAVE APPROXIMATED MANAGEMENT'S EXPECTATIONS.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART III, LINE 3:	BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER SALEM HEALTH'S FINANCIAL ASSISTANCE POLICY IS ESTIMATED BASED ON DATA FROM OUR PATIENT ACCOUNTING SYSTEM. THIS DATA IS THEN COMPARED AND MATCHED TO MEDIAN HOUSEHOLD INCOME CENSUS DATA BY ZIP CODE TO DETERMINE THE ESTIMATED BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE.
PART III, LINE 4:	EFFECTIVE OCTOBER 1, 2011, THE HOSPITALS ADOPTED FASB ISSUED ACCOUNTING STANDARDS UPDATE (ASU) NO. 2011-07, HEALTH CARE ENTITIES (TOPIC 954): PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTHCARE ENTITIES. THE ADOPTION OF THIS ASU RESULTED IN A RECLASSIFICATION OF BAD DEBT EXPENSE FROM AN OPERATING EXPENSE TO BE A REDUCTION IN DERIVING NET PATIENT SERVICE REVENUE. THE ALLOWANCES FOR DOUBTFUL ACCOUNTS ARE PRIMARILY ESTIMATED BASED UPON THE HOSPITALS' HISTORICAL COLLECTION EXPERIENCE, THE AGE OF THE PATIENT'S ACCOUNT, THE PATIENT'S ECONOMIC ABILITY TO PAY, AND THE EFFECTIVENESS OF COLLECTION EFFORTS. PATIENT ACCOUNTS RECEIVABLE BALANCES ARE ROUTINELY REVIEWED IN CONJUNCTION WITH HISTORICAL COLLECTION RATES AND OTHER ECONOMIC CONDITIONS THAT MIGHT ULTIMATELY AFFECT THE COLLECTABILITY OF PATIENT ACCOUNTS WHEN CONSIDERING THE ADEQUACY OF THE AMOUNTS RECORDED IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. ACTUAL WRITE-OFFS HISTORICALLY HAVE APPROXIMATED MANAGEMENT'S EXPECTATIONS.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART III, LINE 8:	MEDICARE PAYS A SIGNIFICANTLY REDUCED AMOUNT FOR MEDICAL SERVICES RENDERED TO THEIR ENROLLEES SUCH THAT THE NET REIMBURSEMENT DOES NOT COVER THE EXPENSES INCURRED TO PROVIDE THE SERVICES. SALEM HEALTH CONSIDERS THE DIFFERENCE BETWEEN THE COSTS TO PROVIDE THE SERVICES FOR MEDICARE ENROLLEES AND THE NET REIMBURSEMENT AS A BENEFIT TO THE COMMUNITY. MEDICARE FEE-FOR-SERVICE COSTS ARE DETERMINED FROM SALEM HEALTH'S FILED MEDICARE COST REPORT. THE CALCULATION OF NET BENEFIT IS EQUAL TO TOTAL MEDICARE PAYMENTS LESS MEDICARE COSTS. IN ADDITION TO TRADITIONAL MEDICARE FEE-FOR-SERVICE, SALEM HEALTH PROVIDES SUBSTANTIAL SERVICES TO OTHER MEDICARE POPULATIONS PARTICIPATING IN MEDICARE ADVANTAGE PLANS AT SIGNIFICANTLY REDUCED REIMBURSEMENT. THE NET REVENUES FOR THESE PLANS ARE LESS THAN THE COST TO PROVIDE CARE AND ARE NOT DISCLOSED IN PART III, LINE 8. SALEM HEALTH ALSO CONSIDERS THE DIFFERENCE BETWEEN THE NET COST TO PROVIDE CARE FOR MEDICARE ADVANTAGE ENROLLEES AND THE NET REIMBURSEMENT AS A BENEFIT TO THE COMMUNITY. THESE NET COSTS HAVE BEEN DETERMINED BY APPLYING THE RATIO OF COSTS TO CHARGES AS DETERMINED IN WORKSHEET 2 TO THE FULL BILLED CHARGES. THE CALCULATION OF NET BENEFIT IS EQUAL TO TOTAL MEDICARE ADVANTAGE PAYMENTS OF \$171,457,893 LESS MEDICARE ADVANTAGE COSTS OF \$211,901,271 FOR A TOTAL ADDITIONAL COMMUNITY BENEFIT IN THE AMOUNT OF \$40,443,378.
PART III, LINE 9B:	THE BILLING AND COLLECTIONS ADMINISTRATIVE HOUSE-WIDE POLICY AND PROCEDURE STATES, "IF A PATIENT SUBMITS A COMPLETE APPLICATION FOR FINANCIAL ASSISTANCE AFTER AN ACCOUNT HAS BEEN REFERRED FOR COLLECTION ACTIVITY, SALEM HEALTH WILL SUSPEND THE ECAS UNTIL THE PATIENT'S APPLICATION HAS BEEN PROCESSED AND NOTIFY THE PATIENT OF DETERMINATION. IF AN INDIVIDUAL IS FOUND TO BE ELIGIBLE FOR FINANCIAL ASSISTANCE, ANY ECAS WILL BE REVERSED.

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART VI, LINE 2:	<p>AN UPDATED COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED IN 2017. THE NEEDS ASSESSMENT DESCRIBES THE COMMUNITY SERVED BY THE HOSPITAL AND THE DEMOGRAPHICS OF THE COMMUNITY. IT DOES NOT DESCRIBE THE EXISTING HEALTH CARE FACILITIES AND RESOURCES WITHIN THE COMMUNITY THAT ARE AVAILABLE TO RESPOND TO NEEDS. THE MARION AND POLK COUNTY HEALTH CARE SYSTEM CAPACITY AND ACCESS ASSESSMENT CONTAINS HEALTH CARE FACILITY AND RESOURCE INFORMATION. THE CAPACITY AND ACCESS ASSESSMENT IS UPDATED ANNUALLY. THE MOST RECENT CHNA AND HEALTH CARE SYSTEM CAPACITY AND ACCESS ASSESSMENTS ARE PUBLISHED TO THE SALEM HEALTH WEBSITE AT WWW.SALEMHEALTH.ORG. THE NATIONAL MODEL, MOBILIZATION FOR ACTION THROUGH PLANNING AND PARTNERSHIPS (MAPP) WAS USED AS THE FRAMEWORK FOR CHNA. THE FOUR ASSESSMENTS OF MAPP FRAMEWORK INCLUDE: COMMUNITY THEMES AND STRENGTHS, LOCAL PUBLIC HEALTH SYSTEM ASSESSMENT, COMMUNITY HEALTH STATUS ASSESSMENT AND THE FORCES OF CHANGE ASSESSMENT. THE COMMUNITY THEMES AND STRENGTHS ASSESSMENT WAS CONDUCTED BY SURVEYING COMMUNITY PARTNERS WORKING IN SOCIAL, EDUCATIONAL, COMMUNITY AND CORRECTIONAL HEALTH SETTING AND THE COMMUNITY AT LARGE. THE SURVEYS USED IN BOTH COUNTIES HAS THE SAME QUESTIONS AND WERE BASED ON PAST SURVEYS. PAPER AND ELECTRONIC SURVEYS WERE ALLOCATED BASED ON POPULATION DISTRIBUTION THROUGHOUT THE TWO COUNTIES. THE COMMUNITY HEALTH STATUS ASSESSMENT WAS CONDUCTED BY COMPILING DATA FROM NATIONAL SURVEILLANCE SYSTEMS LIKE THE BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY AND OREGON HEALTHY TEENS, AS WELL AS STATE AND LOCAL DATA FROM BIRTH AND DEATH CERTIFICATES. IN ADDITION, A SERIES OF COMMUNITY FORUMS WERE CONDUCTED ACROSS MARION AND POLK COUNTIES TO IDENTIFY HEALTH PRIORITIES. THE MARION AND POLK COUNTY HEALTH ASSESSMENT UPDATES WERE PUBLISHED IN DECEMBER 2017 AND CAN BE FOUND ON THE SALEM HEALTH WEBSITE AT WWW.SALEMHEALTH.ORG. THE DOCUMENT INFORMED THE DEVELOPMENT OF THE COMMUNITY BENEFIT IMPLEMENTATION STRATEGY FOR THE YEARS 2018-2020, ALSO AVAILABLE ON THE WEBSITE. THE IMPACT OF ACTIONS TAKEN TO ADDRESS THE SIGNIFICANT HEALTH NEEDS IDENTIFIED IN THE HOSPITAL FACILITIES' PRIOR CHNAS CAN BE FOUND ON THE COMMUNITY HEALTH IMPROVEMENT PARTNERS (CHIP) ANNUAL REPORT. THE CHIP IS COORDINATED BY MARION COUNTY PUBLIC HEALTH DEPARTMENT AND IS PUBLISHED ON THEIR WEBSITE AT WWW.CO.MARION.OR.US/HLT/CHIP/PAGES/DEFAULT.ASPX</p>
PART VI, LINE 3:	<p>SALEM HEALTH SCREENS UNINSURED PATIENTS FOR ELIGIBILITY THROUGH THE OREGON HEALTH PLAN (OHP/MEDICAID), WORKERS COMPENSATION, THIRD PARTY LIABILITIES, CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA) OR ANY OTHER POTENTIAL FUNDING SOURCE AT THE POINT OF SCHEDULING, PATIENT REGISTRATION, OR WHILE INPATIENT. THE HOSPITAL OR ITS REPRESENTATIVE WILL REVIEW THE PATIENT'S CURRENT RESOURCES AND WORK WITH HIM/HER TO GAIN ELIGIBILITY FOR ANY OF THESE PROGRAMS AS APPROPRIATE. PATIENTS NOT ELIGIBLE FOR OHP OR THE OTHER PROGRAMS LISTED ABOVE WHO HAVE FINANCIAL CONSTRAINTS THAT INHIBIT THEIR ABILITY TO PAY, WILL BE ASSESSED FOR FINANCIAL ASSISTANCE. 1. NOTICES ARE POSTED IN KEY AREAS OF THE HOSPITAL, INCLUDING ADMITTING, THE EMERGENCY DEPARTMENT, OUTPATIENT DEPARTMENT REGISTRATION AREAS AND PATIENT FINANCIAL SERVICES. 2. THE CONDITIONS OF ADMISSION FORM INFORMS THE PATIENT OF THEIR RIGHT TO APPLY FOR FINANCIAL ASSISTANCE. 3. WRITTEN INFORMATION IS AVAILABLE IN ENGLISH, SPANISH, RUSSIAN AND VIETNAMESE. THE HOSPITAL WILL PROVIDE THE APPROPRIATE INTERPRETATION SERVICES FOR PATIENTS/GUARANTORS WHO DO NOT SPEAK ENGLISH. 4. FRONT LINE STAFF ARE TRAINED TO ANSWER FINANCIAL ASSISTANCE QUESTIONS EFFECTIVELY AND WILL DIRECT ANY THAT CANNOT BE ANSWERED TO FINANCIAL COUNSELORS IN A TIMELY MANNER. 5. THIS POLICY IS POSTED ON SALEM HEALTH'S WEBSITE. WRITTEN INFORMATION ABOUT THIS POLICY WILL BE MADE AVAILABLE UPON REQUEST. 6. ALL PATIENT BILLING STATEMENTS INCLUDE A NOTICE THAT FINANCIAL ASSISTANCE IS AVAILABLE AND CONTACT INFORMATION IF THEY WANT TO LEARN MORE.</p>

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART VI, LINE 4:	<p>Marion and Polk County are located in the Willamette Valley and are the 5th and 13th most populous counties in Oregon respectively. This community spans about 1,950 square miles, of which 1,200 are in Marion and 750 are in Polk. In Marion, the five largest cities are Keizer, Salem, Silverton, Stayton, and Woodburn, which are home to 66% of the County's total population. The remaining 34% live in one of the smaller 15 cities or on unincorporated land. In Polk, the largest cities are Dallas, Falls City, Independence, Monmouth, West Salem, and Willamina, in which about 84% of Polk's population resides. Those who live outside of the major population areas in the community may experience greater difficulty accessing resources like health care services and healthy foods. Given the limited public transportation in these rural areas, access to a vehicle is likely required to live a healthy lifestyle. As of 2017, there were about 424,982 people living in the community, which is about 10% of the total state population. Of those, it is estimated that 341,286 people live in Marion and 83,696 live in Polk. Since 2010, the population has increased by 8% in Marion and 11% in Polk, which was similar to the increase in the state as a whole. There were also a larger number of people living per square mile in this community compared to the state and this was especially true for Marion. Just over half of community members identified as female, which was similar to the state. The community had a larger proportion of members between the ages of 0-24 years old than Oregon. There was also a smaller proportion of working age adults (25-64) in the community than the state. In 2016, the median age was lower in Marion (36.4 years) compared to Polk (37.7 years) and the state (39.2 years.) Additionally, more people have been migrating into this community as opposed to leaving, which is expected to continue during the forecast period. Between 2017 and 2035, growth will initially occur at a slightly higher pace and then will begin to slow down, tapering off towards the end of the forecast. It is estimated that this community will exceed 500,000 members by 2035. Polk will be growing at a faster rate than Marion. Shifts in age groups will be occurring over the next 50 year forecast period in this community, with a greater proportion of members falling into older age groups. This change is important, as it highlights the need to expand and prepare for the growing health needs of an aging population. About 26% of community members in Marion identified as Hispanic or Latina(o), which was higher than Polk (13%) and Oregon (12%). Marion had a smaller proportion of members who identified as White, non-Hispanic/Latina(o) than Polk and the state. Marion also had a larger proportion of members who identified as Native Hawaiian or Pacific Islander than Polk and the state. About 1 out of 4 households (25%) in Marion spoke a language other than other than English at home than Polk (14%) and the state (15%). Just over 15% of people in this community were living with a disability, which was greater than the state. The proportion of people living with disabilities has been increasing in all regions in recent years. Community members in Marion had lower household median incomes and a higher percentage living in poverty, especially children, than Polk and the state. Roughly 25% of children were living in poverty in Marion, compared to 17% in Polk and 20% in Oregon. In the community, a higher proportion of females were living in poverty than males, and members who identified as a race or ethnicity other than White, non-Hispanic/Latina(o) had higher poverty rates as well. Overall, poverty rates have been decreasing in this community and the state recently, likely due in part to improving economic conditions. Educational achievement has been improving in recent years as a higher percentage of community members have a high school diploma/GED. However, educational achievement in Marion was lower than Polk and the state, especially with regard to college graduates. In Marion, 22% of people had a Bachelor's degree or higher, compared to 30% in Polk and 31% in Oregon. Educational achievement differed by sex, race and ethnicity, geography, and disability status. About 1 out of 5 children were food insecure in this community. It was also difficult for some community members to obtain healthy foods due to affordability and low access to stores that sell them.</p>
PART VI, LINE 5:	<p>In addition to the work described in the above narrative, Salem Health has a Community Health Education Center that offers no and low cost health education to the general public in the form of classes, outreach and access to research materials, online and in print. A full time librarian is on staff to assist clinicians with the latest research and treatment options. A staff of health educators presents to the public on various community health topics on request and attends wellness fairs, providing biometrics and health information. The Salem Cancer Institute offers free screenings several times a year for various cancers, including breast, colon, lung and skin cancer. Staff and clinicians participate in dozens of health improvement committees, addressing social determinants of health such as homelessness, food insecurity, education and access to care.</p>

Additional Data**Software ID:****Software Version:****EIN:** 93-0579722**Name:** SALEM HEALTH**Form 990 Schedule H, Part V Section A. Hospital Facilities**

Section A. Hospital Facilities (list in order of size from largest to smallest—see instructions) How many hospital facilities did the organization operate during the tax year? 1		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER—24 hours	ER—other	Other (Describe)	Facility reporting group
1	Salem Health 890 Oak Street SE Salem, OR 97301 14-1428	X	X					X			

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 5:	A comprehensive needs assessment was conducted in the tax year 2017 in cooperation with the local public health department, coordinated care organizations and local non-profit organizations. The assessment was conducted by surveying community partners working in social, health, community, educational and correctional health settings and the community at large. Paper and electronic surveys were distributed throughout both counties and community forums were held as well to identify health needs and priorities. National surveillance data such as the Behavior Risk Surveillance survey and Oregon Healthy Teens was used, in addition to state and local data from birth and death certificates.

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 6a:	The CHNA was conducted with cooperation and representatives from Santiam Hospital and Legacy Health.

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 6b:	The hospital facility's CHNA was conducted with Community Action Agency, the Early Learning Hub, Marion County Health Department, Polk Co Health Department, Oregon State University Cooperative Extension, United Way, WVP Health Authority and Willamette Valley Community Health.

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 7d:	The Hospital made the CHNA widely available to the community. All partners described in Section B, Line 6b were provided with executive summary documents for distribution to community members free of charge. The full assessment is posted to the hospital and county websites.

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

Form and Line Reference	Explanation
Part V, Section B, Line 11:	<p>Priority areas addressed in the 2017 assessment include adolescent mental health, obesity, tobacco use, and sexually transmitted infections. Salem Health has chosen to focus on the first three areas. Adolescent Mental Health: Oregon's suicide rate in 2017 was more than twice as high as the national average. Suicide is the second leading cause of death for those ages 15-34 and the third leading cause for those ages 9-14. According to Oregon Health Plan (Medicaid) data, 31.5% of children ages 12-17 in Marion County have a mental health condition and fewer than half are receiving treatment. The numbers are even more stark for children under the age of 12: 27% have been identified as having a mental health condition and just 4% are receiving treatment. The number of patients seen in the Salem Hospital emergency room for suicidal ideation and intentional self-harm has increased nearly 80% since 2016. Salem Health has launched a community wide initiative to explore contributing factors to this increase along with Salem-Keizer Public Schools, the county health departments and other mental health care providers. The scope for the 2018-19 years is community prevention with plans to expand the work beyond this scope in 2020. Salem Health offers free Question, Persuade, Refer (QPR) training to community members and has partnered with several school districts, universities, non-profit organizations and the faith based community to increase the number of trainers available to offer the course. Tobacco: Tobacco is the agent most responsible for avoidable illness and death in America today. According to the Centers for Disease Control and Prevention, tobacco use brings premature death to almost half a million Americans each year and it contributes to profound disability and pain in many others. The World Health Organization states that approximately one-third of all tobacco users in this country will die prematurely because of their dependence on tobacco. Marion and Polk counties have continuously seen a significant increase in tobacco since 2011: 19% of Marion County residents and 16.4% of Polk County residents use tobacco. Tobacco use contributes to many diseases, including lung cancer. Marion and Polk county residents die at a higher rate from lung cancer than those in other parts of Oregon. With tobacco use comes a greater exposure to secondhand smoke for non-smokers, which may exacerbate a wide range of adverse health effects such as respiratory infections and asthma. Particularly concerning is the increase of tobacco use during pregnancy. Tobacco use during pregnancy has decreased in recent years, but at 10% is still far higher than the Health People 2020 goal of less than 2%. Salem Health is a smoke free campus and has worked with the City of Salem to expand smoke free zones to neighboring sidewalks and city parks. The hospital screens 100% of its patients for tobacco use and provides all tobacco users with community cessation resource information. The A</p>

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

Form and Line Reference	Explanation
Part V, Section B, Line 11:	<p>American Lung Association's Freedom From Smoking curriculum is offered at no cost through the Salem Health Community Health Education Center and the Health Education and Outreach teams provide community based education to schools related to tobacco prevention. Obesity: Obesity rates in Marion and Polk counties continue to climb at a rate higher than the rest of the state. Nearly 35% of adults in Marion county are considered to be obese and 18% of 11th graders in Marion county are obese, compared with 26% and 15% respectively statewide. In Polk county, 31.5% of adults are obese as are 17.5% of 11th graders. Obesity contributes to nearly every chronic medical condition, including heart disease, diabetes and cancer. Salem Health continues to focus on obesity prevention efforts through health outreach and education, support of partnering agencies with a shared goal to decrease obesity, medical provider BMI screenings and community health education center programming focused on health promotion and prevention of chronic disease. Obesity is also a priority for the Community Health Improvement Plan (CHIP) which is supported by Salem Health. The Marion County Public Health Department convenes community stakeholders to address obesity using a logic model and collective impact framework. Salem Health and other community partners' collective work impact is published annually on the Marion County Public Health website. Sexually transmitted infections: Marion County has experienced significant increases in sexually transmitted infections in the last five years, including a 7.8% increase in the incidence of Chlamydia, 186.7% increase in the incidence of Gonorrhea and a 490% increase in the incidence of Syphilis. Marion County is seeing an increase in rates of congenital Syphilis. Marion County is actively working with local providers to ensure accurate reporting, education to appropriate audiences and efficacy of treatment in tackling these diseases. Salem Health's providers are participating and a representative meets regularly with Marion County Public Health to assess the needs and progress made.</p>

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

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

Form and Line Reference	Explanation
PART V, SECTION B, LINE 13H:	CRITERIA CONSIDERED IN DETERMINING ELIGIBILITY INCLUDE, BUT ARE NOT LIMITED TO: 1. HOUSEHOLD'S GROSS INCOME *THE DEFINITION OF 'HOUSEHOLD'S GROSS INCOME' INCLUDES THE COMBINED GROSS MONTHLY INCOME OF ALL PERSONS LEGALLY RESPONSIBLE FOR PATIENT BILL OR BALANCE. 2. HOUSEHOLD'S ASSETS OTHER THAN PRIMARY RESIDENCE * EQUITY IN A REAL ESTATE (OTHER THAN THE PATIENT/GUARANTOR'S PRIMARY RESIDENCE), SECURITIES OR OTHER ASSETS ARE CONSIDERED AVAILABLE TO PAY THE PATIENT'S MEDICAL EXPENSES AND SHOULD BE INCLUDED IN THE INCOME CALCULATION. * THE INCOME FROM INCOME-PRODUCING REAL PROPERTY SHOULD BE USED IN THE CALCULATION RATHER THAN THE EQUITY. * INDIVIDUAL RETIREMENT ACCOUNTS (IRAS) OR OTHER RETIREMENT FUNDS WILL NOT BE INCLUDED IN HOUSEHOLD ASSETS; HOWEVER DISTRIBUTIONS FROM THOSE FUNDS WILL BE CONSIDERED INCOME. 3. FAMILY SIZE (PERSONS LEGALLY RESPONSIBLE FOR THE PATIENT BILL AND THEIR DEPENDENTS) 4. THE FAMILY'S MONTHLY OUT OF POCKET EXPENSES FOR MEDICAL SUPPLIES AND SERVICES 5. ELIGIBILITY MAY BE CONTINGENT UPON PATIENT COOPERATION WITH THE APPLICATION PROCESS. HOUSEHOLD INCOMES UP TO 400% OF THE ANNUAL FEDERAL POVERTY GUIDELINES (FPG) WILL BE ELIGIBLE FOR FINANCIAL ASSISTANCE AS OUTLINED BELOW AND IN THE FPG FINANCIAL MATRIX: FINANCIAL MATRIX INCOME AS A PERCENTAGE OF FEDERAL POVERTY LEVEL PERCENTAGE DISCOUNT 0-300% 100% 301-400% 65% ALL OTHER UNINSURED ALL OTHER UNINSURED

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 15e:	<p>Supporting documentation may include the following: Patient must provide two of the following documents to support the income claims on the application. * Three months income verification in the form of pay stubs, bank deposits, etc. * Social Security determination letters * The prior year's tax returns or 4506T-EZ * A "Basic Needs" letter that indicates how persons with no income are meeting their day to day basic living needs. "Basic Needs" letter must only be considered a secondary supporting document after the Financial Counselor or Clerk validates the information. As outlined in Salem Health's Condition of Admission, a credit bureau report or a charity scoring vendor may be requested to validate information provided on the financial assistance application. Salem Health may accept information provided on an OHP application, OHP eligibility, Probate Estates determination, documentation of homeless status, or reliable third party credit information as a substitute for the financial forms. OHP information will be considered valid 30 days prior to admission and 90 days post discharge. Approved sources of documentation for homeless status include chart notes, discharge plans, or discharge summaries entered into our health information system by care providers or the patient indicating they are homeless during the registration process. Financial Assistance granted based on third party information rather than a Financial Assistance Application does not extend to future dates of service and would need to be reevaluated based on information available at that time. Application Process & Eligibility Determination A request for financial assistance may be made before, during, or after the provision of care. The Hospital has developed an application process for determining initial interest in and qualification for financial assistance. Requests for financial assistance will be accepted from the patient directly, or others on the patient's behalf. This could include but is not limited to, the patient's representative, or hospital staff.</p>

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

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

Form and Line Reference	Explanation
Part V, Section B, Line 16a:	FAP website address: http://www.salemhealth.org/about/charity-care-and-financial-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
Part V, Section B, Line 16b:	Financial assistance application website address: http://www.salemhealth.org/about/charity-care-and-financial-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
Part V, Section B, Line 16c:	Plain language summary website address: http://www.salemhealth.org/about/charity-care-and-financial-policy

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

Schedule I (Form 990)

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
Name of the organization
SALEM HEALTH

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for the latest information.

Employer identification number
93-0579722

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? 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.

(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
(1) See Additional Data							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 17
 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) Cash Assistance to patients	7003	182,976			
(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:	GRANTS ARE ONLY MADE TO QUALIFIED EXEMPT ORGANIZATIONS. BECAUSE DOCUMENTATION AND AUTHORIZATION IS CAREFULLY EXAMINED BEFORE A GRANT IS GIVEN, AND THE PURPOSES FOR A GRANT ARE KNOWN BEFORE IT IS AWARDED, NO ADDITIONAL FOLLOW UP IS PERFORMED TO FIND OUT HOW THE GRANT WAS USED.
PART III, COLUMN A	CASH ASSISTANCE IS PROVIDED TO PATIENTS IN NEED FOR PRESCRIPTIONS, LIFELINE SUPPORT, REHABILITATION AND OTHER URGENT NEEDS.

Additional Data

Software ID:
Software Version:
EIN: 93-0579722
Name: SALEM HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY 0330 SW CURRY ST PORTLAND, OR 97239	13-1788491	501(C)(3)	11,500				RELAY FOR LIFE OF GREATER SALEM SPONSORSHIP/TOAST TO CANCER SURVIVORS SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH
CASA OF MARION COUNTY PO BOX 20298 Keizer, OR 97307	27-0560943	501(C)(3)	8,500				GOLD SPONSORSHIP2018/2019 SUPERHERO RACE SPONSORSHIP/2019 LIGHT OF HOPE SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
COMMUNITY ACTION AGENCY HOME 625 Union St NE SALEM, OR 97301	23-7056987	501(C)(3)	15,000				Adolescent health goals achieved by the agency's Taylor's House/IMPROVE SOCIAL DETERMINATE OF HEALTH
FAMILY BUILDING BLOCKS 2425 LANCASTER DR NE SALEM, OR 97305	93-1233373	501(C)(3)	6,000				2019 SUSTAINERS HAPPY HOUR SPONSORSHIP/RIVERFEST SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
KRIS KNOX LLV FOUNDATION 4742 Liberty St S PMB 270 SALEM, OR 97302	93-1328274	501(C)(3)	6,500				2018 PLAY FOR A CURE OREGON SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH
NORTHWEST FAMILY SERVICES 6200 SE King Rd PORTLAND, OR 97222	93-0841022	501(C)(3)	30,461				PROJECT ACCESS NOW/2018 DISCOVERY PINK WALK SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
POLK COUNTY FAMILY & OUTREACH 182 SW ACADEMY SUITE 220 Dallas, OR 97338	93-6002310	POLK COUNTY	6,000				MID VALLEY SUICIDE PREVENTION COALITION WEBSITE UPGRADES/DISEASE PREVENTION
POLK COUNTY SERVICE INTEGRATION 182 SW ACADEMY SUITE 220 Dallas, OR 97338	93-6002310	POLK COUNTY	15,000				2018-2019 INTEGRATION SERVICES/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
SALEM ART ASSOCIATION 600 MISSION ST S SALEM, OR 97302	93-0421613	501(C)(3)	6,250				2019 SALEM ART FAIR & FESTIVAL SPONSORSHIP/2019 GOLD SPONSORSHIP FOR CLAY BALL/IMPROVE SOCIAL DETERMINATE OF HEALTH
SALEM FREE CLINIC 1300 BROADWAY ST NE SALEM, OR 97301	20-3549992	501(C)(3)	79,000				SALEM FREE CLINIC SUPPORT/ 2018 BINATIONAL HEALTH FAIR PRESENTING SPONSOR / OREGON BI-NATIONAL HEALTH FAIR & PROVIDER SPONSORSHIP/ DISEASE PREVENTION AND IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
SALEM HEALTH FOUNDATION PO Box 14001 SALEM, OR 97309	23-7002687	501(C)(3)	6,000				WELLNESS CLASSIC SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH
SALEM KEIZER EDUC FOUNDATION 233 Commerical Street NE SALEM, OR 97301	93-0831467	501(C)(3)	21,000				AWESOME YOUTH SPORTS SPONSORSHIP/2019 AWESOME 3000 SPONSORSHIP/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
SALEM KEIZER SCHOOL DISTRICT 2450 Lancaster Dr NE SALEM, OR 97305	93-6000763	OREGON	5,400				MEALS FOR SUICIDE PREVENTION/DISEASE PREVENTION
SALEM LEADERSHIP FOUNDATION PO BOX 7384 SALEM, OR 97303	93-1215089	501(C)(3)	6,000				BRIDGE BUILDERS SUMMER CHALLENGE SPONSORSHIP/ OPEN STREETS SALEM EVENT SPONSORSHIP/COMMUNITY HOMELESS CONNECT SUPPORT/IMPROVE SOCIAL DETERMINE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
SALEM POLICE FOUNDATION PO BOX 2631 SALEM, OR 97308	27-1899059	501(C)(3)	10,000				SUICIDE AWARENESS SPONSORSHIP/CHIEF'S CIRCLE TITLE SPONSORSHIP/DISEASE PREVENTION & IMPROVE SOCIAL DETERMINATE OF HEALTH
SALVATION ARMY 1901 Front St SALEM, OR 97301	94-1156347	501(C)(3)	25,000				LIGHTHOUSE SHELTER/DRUG & ALCOHOL MENTOR/IMPROVE SOCIAL DETERMINATE OF HEALTH

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(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 non-cash assistance	(h) Purpose of grant or assistance
PSYCHIATRIC CRISIS CENTER PO BOX 14500 SALEM, OR 97309	93-6002307	MARION COUNTY		23,367	OVERHEAD COSTS	USE OF SPACE	ACCESS TO MEDICAL SERVICES

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization
SALEM HEALTH

Employer identification number
93-0579722

Part I Questions Regarding Compensation

		Yes	No		
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table>	<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax idemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)				
<p>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</p>	1b				
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	2				
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee				
<p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4a	Yes			
	4b	Yes			
	4c		No		
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p>					
<p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	5a		No		
	5b		No		
<p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	6a		No		
	6b		No		
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7		No		
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8		No		
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9				

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
PART I, LINES 4A-B:	SOME OF THE HOSPITAL'S EMPLOYEES RECEIVE DEFERRED COMPENSATION UNDER A 457(F) NONQUALIFIED PLAN. THIS COMPENSATION IS INCLUDED IN COMPENSATION REPORTED IN PART II. THE TOTAL NONQUALIFIED PORTION OF EACH PERSONS DEFERRED COMPENSATION IS: BAHAA WANLY \$26,787 BRUCE RODGERS \$17,080 CHRISTINE CLARKE \$7,871 DANIEL CHEN \$14,064 DENISE HOOVER \$15,724 JAMES PARR \$34,850 JUAN OYARZUN \$29,791 KATHERINE JONES \$28,492 LAURIE BARR \$23,461 LEAH MITCHELL \$29,963 LEILANI SLAMA \$14,388 MATTHEW BOLES \$4,005 NERVIN FANOUS \$28,492 NICHOLE VANDERHEYDEN \$31,614 RALPH YATES \$34,394 SARAH HORN \$23,102 SHEA CORUM \$15,469



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

**Schedule K
(Form 990)**

Supplemental Information on Tax-Exempt Bonds

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

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
SALEM HEALTH

Employer identification number
93-0579722

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM	52-1542796	794458CY3	11-13-2008	125,000,000	REFUND SERIES 2004AB AND 2006B		X		X		X
B	HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM	52-1542796	794458EL9	11-01-2016	215,638,877	REFUND SERIES 2013AB AND 2008A		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	50,000,000		14,580,000					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	125,021,764		216,071,505					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrows	0		0					
7	Issuance costs from proceeds	633,004		1,649,486					
8	Credit enhancement from proceeds	1,153,492		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	9,260,268		0					
11	Other spent proceeds	113,975,000		214,380,232					
12	Other unspent proceeds	0		41,788					
13	Year of substantial completion	2009							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X	X					
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c Are there any research agreements that may result in private business use of bond-financed property?	X		X					
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.500 %		1.000 %					
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.100 %		0.200 %					
6 Total of lines 4 and 5	0.600 %		1.200 %					
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of.								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X				
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X	X					
b Exception to rebate?	X		X					
c No rebate due?	X			X				
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X			X				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X				
b Name of provider	UBS AG		0					
c Term of hedge	2580 %							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider	0		0					
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
COLUMN A:	THE DIFFERENCE BETWEEN PART I (E) AND PART II, LINE 3 IS DUE TO INTEREST EARNINGS IN THE PROJECT FUND. PART I (A): THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS PART I (F): PROCEEDS WERE USED TO REFUND SERIES 2004AB AND SERIES 2006B BONDS, FINANCE THE CONSTRUCTION OF THE PATIENT TOWER AND OTHER IMPROVEMENTS. PART II, LINE 1: BONDS REFUNDING SERIES 2008C: SERIES 2013AB (ISSUED JUNE 27, 2013). PART III, LINE 7: AS PROVIDED IN TREASURY REGULATION SECTION 1.141-4(C)(2)(I)(B), THE AMOUNT OF PRIVATE PAYMENTS TAKEN INTO ACCOUNT UNDER THE PRIVATE PAYMENTS TEST MAY NOT EXCEED THE AMOUNT OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS USE. ACCORDINGLY, THE AMOUNT OF PRIVATE PAYMENTS FOR THE REPORTING PERIOD DOES NOT EXCEED THE AMOUNT STATED IN PART III, LINE 6. THE ORGANIZATION HAS NOT UNDERTAKEN AN ANALYSIS OF THE PRIVATE SECURITY TEST WITH RESPECT TO THE BONDS AS THE LEVEL OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS REPORTED IN PART III, LINE 6, IS NOT IN EXCESS OF AMOUNTS PERMITTED UNDER SECTION 145 OF THE CODE. PART IV, LINE 2(B): THE REFUNDING AND NEW MONEY PORTIONS OF THE BONDS HAVE MET THE 6-MONTH EXCEPTION TO REBATE. PART IV, LINE 2(C): PROCEEDS OF THE BONDS MET A SPENDING EXCEPTION TO REBATE AND, THEREFORE, NO PAYMENT WILL EVER BE DUE ON THE BONDS.

Return Reference	Explanation
COLUMN B:	THE DIFFERENCE BETWEEN PART I(E) AND PART II, LINE 3 IS DUE TO INTEREST EARNINGS ON BOND PROCEEDS. PART I (A): THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS PART I (F): BONDS PROCEEDS WERE EXPENDED TO REFUND THE 2013AB BONDS (ISSUED ON JUNE 27, 2013), TO REFUND THE 2008A BONDS (ISSUED ON OCTOBER 8, 2008) TO REFUND THE 2006A BONDS (ISSUED ON NOVEMBER 15, 2006) AND TO PAY COSTS OF ISSUANCE RELATING TO THE BONDS. PART II, LINE 13: SINCE THE PROCEEDS OF THE BONDS WERE USED FOR REFUNDING PURPOSES, THE YEAR OF SUBSTANTIAL COMPLETION IS NOT APPLICABLE. PART III, LINE 7: AS PROVIDED IN TREASURY REGULATION SECTION 1.141-4(C)(2)(I)(B), THE AMOUNT OF PRIVATE PAYMENTS TAKEN INTO ACCOUNT UNDER THE PRIVATE PAYMENT TEST MAY NOT EXCEED THE AMOUNT OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS USE. ACCORDINGLY, THE AMOUNT OF PRIVATE PAYMENTS FOR THE REPORTING PERIOD DOES NOT EXCEED THE AMOUNT STATED IN PART III, LINE 6. THE ORGANIZATION HAS NOT UNDERTAKEN AN ANALYSIS OF THE PRIVATE SECURITY TEST WITH RESPECT TO THE BONDS, AS THE LEVEL OF PRIVATE BUSINESS USE AND/OR UNRELATED TRADE OR BUSINESS REPORTED IN PART III, LINE 6, IS NOT IN EXCESS OF AMOUNTS PERMITTED UNDER SECTION 145 OF THE CODE. PART IV, LINE 2(B): THE PORTION OF BOND PROCEEDS USED FOR CURRENT REFUNDING HAS MET THE 6-MONTH EXCEPTION TO REBATE.

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury

Name of the organization
SALEM HEALTH

Employer identification number

93-0579722

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B:	THE ORGANIZATION'S ACCOUNTING & FINANCE TEAM WORKS CLOSELY WITH THE OUTSIDE ACCOUNTING FIRM IT ENGAGES TO PREPARE AND REVIEW THE RETURN. THE CONTROLLER AND CFO REVIEW A DRAFT OF THE FORM 990 BEFORE IT IS PRESENTED TO THE GOVERNANCE COMMITTEE OF THE BOARD OF TRUSTEES. FINANCE ADMINISTRATION ADDRESSES AND RESPONDS TO QUESTIONS RAISED BY MEMBERS OF THE GOVERNANCE COMMITTEE. AFTER IT IS REVIEWED BY THE GOVERNANCE COMMITTEE, THE FINAL FORM 990 IS FORWARDED TO THE ENTIRE BOARD OF TRUSTEES PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C:	ON AN ANNUAL BASIS THE SECRETARY OF THE HOSPITAL SHALL SEND TO EACH PERSON WHO IS A TRUSTEE, OFFICER, OR MEMBER OF A COMMITTEE, AND TO THOSE EMPLOYEES OF THE HOSPITAL AS THE BOARD MAY DETERMINE, A COPY OF THE POLICY REGARDING CONFLICTS OF INTEREST, TOGETHER WITH A QUESTIONNAIRE INQUIRING AS TO CONFLICTS, TO BE COMPLETED AND RETURNED TO THE SECRETARY BY THE TRUSTEE, OFFICER, COMMITTEE MEMBER OR EMPLOYEE PRIOR TO THE BEGINNING OF EACH CALENDAR YEAR.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15:	<p>EXECUTIVE COMPENSATION AT SALEM HEALTH IS DESIGNED TO ALLOW THE ORGANIZATION TO RECRUIT AND RETAIN QUALIFIED SENIOR LEADERS. THE GOVERNANCE COMMITTEE OF THE SALEM HEALTH BOARD OF TRUSTEES, NONE OF WHOM IS A SALEM HEALTH EMPLOYEE, ENGAGES ONE OR MORE INDEPENDENT CONSULTANTS TO PROVIDE MARKET DATA ON CEO COMPENSATION, INCLUDING BENEFITS, FOR THE CEOS AT COMPARABLE ORGANIZATIONS. THIS INFORMATION IS USED BY THE GOVERNANCE COMMITTEE AND BOARD OF TRUSTEES IN THEIR DISCUSSIONS AND DECISIONS ON CEO COMPENSATION. COMPENSATION FOR THE CEO IS REVIEWED ON AN ANNUAL BASIS. THE MOST RECENT REVIEW TOOK PLACE IN JULY/AUGUST 2019. THE COMPENSATION DELIBERATIONS AND DECISIONS ARE DOCUMENTED IN THE GOVERNANCE COMMITTEE AND BOARD MINUTES FOR THIS MEETING. ONE OR MORE INDEPENDENT CONSULTANTS ARE ALSO RETAINED TO REVIEW EXECUTIVE COMPENSATION SEPARATE FROM THE CEO. THE CEO, IN CONJUNCTION WITH THE INDEPENDENT CONSULTANTS, ENSURES THAT EACH EXECUTIVE'S COMPENSATION IS COMPETITIVE IN THE MARKET FOR SIMILAR POSITIONS AT COMPARABLE ORGANIZATIONS. THE CEO ALSO PROVIDES INFORMATION TO THE BOARD GOVERNANCE COMMITTEE ON THE LEVELS OF EXECUTIVE COMPENSATION.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19:	THE CONFLICT OF INTEREST POLICY AND GOVERNING DOCUMENTS ARE AVAILABLE ON THE HOSPITAL WEBSITE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:	CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT -2,823,233. CHANGE IN NET BENEFIT COST -1,794,648. CHANGE IN BENEFICIAL INTEREST IN FOUNDATION 112,020. Book/Tax Difference in Partnership Income 2,261,004. TOTAL TO FORM 990, PART XI, LINE 9 -2,244,857.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2018

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

Department of the Treasury
Internal Revenue Service

Name of the organization
SALEM HEALTH

Employer identification number

93-0579722

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MWVP INC 570 LIBERTY ST SE STE 200 SALEM, OR 97301	HOLDS LAND	OR			SHHC

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) SALEM HEALTH FOUNDATION 890 OAK STREET SE SALEM, OR 97301 23-7002687	SUPPORT SH	OR	501(c)(3)	7	SHHC		No
(2) SALEM HEALTH HOSPITALS & CLINICS 890 OAK STREET SE SALEM, OR 97301 93-0823471	LEASES LAND	OR	501(c)(3)	12, TYPE I	NA		No
(3) SALEM HEALTH WEST VALLEY 525 SOUTHEAST WASHINGTON ST DALLAS, OR 97338 43-1960221	HOSPITAL	OR	501(c)(3)	3	SHHC		No
(4) WEST VALLEY HOSPITAL FOUNDATION 525 SOUTHEAST WASHINGTON ST DALLAS, OR 97338 93-1298564	SUPPORT SHWV	OR	501(c)(3)	12, TYPE I	SHHC		No
(5) WILLAMETTE VALLEY INSURANCE COMPANY 745 FORT STREET HONOLULU, HI 96813 20-1836190	INSURANCE	HI	501(c)(3)	12, TYPE I	SHHC		No
(6) SALEM HEALTH PROFESSIONAL SERVICES 890 OAK STREET SE SALEM, OR 97301 75-3175249	BILLING	OR	501(c)(3)	12, TYPE I	SHHC		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) SALEM AMBULATORY SURGERY CENTER LLC 570 LIBERTY ST SE SUITE 200 SALEM, OR 97301 82-4752936	SURGERY CENTER	OR	NA	RELATED	0	51,000		No	0		No	51.000 %
(2) WILLAMETTE SURGERY CENTER LLC 890 OAK STREET SE SALEM, OR 97301 93-0579722	SURGERY CENTER	OR	SALEM HEALTH	RELATED	266,794	1,435,112		No	0		No	54.200 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No
(1) OREGON HEALTHCARE ENTERPRISES INC TTEE 4000 KRUSE WAY PL BLDG 2 STE 100 LAKE OSWEGO, OR 97035 45-6525337	TAX TRUST PROGRAM	OR	NA	Trust	126,049	0	6.587 %		No
(2) OREGON HEALTHCARE ENTERPRISES INC TTEE 4000 KRUSE WAY PL BLDG 2 STE 100 LAKE OSWEGO, OR 97035 45-6822739	TAX TRUST PROGRAM	OR	NA	Trust	0	0	0 %		No
(3) PACIFIC MEDICAL CONDOMINIUM UNIT OWNERS 890 OAK STREET SE SALEM, OR 97301 45-4353791	OWNERS ASSN	OR	SALEM HEALTH	C Corp	0	0	71.590 %		No

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

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

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

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a	Yes	
1b	Yes	
1c	Yes	
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m		No
1n	Yes	
1o	Yes	
1p	Yes	
1q	Yes	
1r	Yes	
1s	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VII **Supplemental Information**

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

Return Reference	Explanation