

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](http://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 01-01-2018, and ending 12-31-2018**

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

**C** Name of organization  
Santa Barbara Cottage Hospital

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite  
PO Box 689 Attn - Finance Dept

City or town, state or province, country, and ZIP or foreign postal code  
Santa Barbara, CA 931020689

**D** Employer identification number  
95-1644629

**E** Telephone number  
(805) 324-9903

**G** Gross receipts \$ 1,077,116,346

**F** Name and address of principal officer  
Ronald C Werft  
PO Box 689 Attn - Finance Dept  
Santa Barbara, CA 931020689

**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.COTTAGEHEALTH.ORG

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

**L** Year of formation 1888

**M** State of legal domicile CA

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities  
It is the mission of Santa Barbara Cottage Hospital to provide superior health care for and improve the health care of our communities through a commitment to our core values of excellence, integrity, and compassion

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

|  |           |
|--|-----------|
| <b>3</b> Number of voting members of the governing body (Part VI, line 1a)             | 15        |
| <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) | 14        |
| <b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)  | 3,436     |
| <b>6</b> Total number of volunteers (estimate if necessary)                            | 650       |
| <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12         | 8,585,004 |
| <b>7b</b> Net unrelated business taxable income from Form 990-T, line 34               | 46,281    |

|   | Prior Year                | Current Year  |
|---|---------------------------|---------------|
| <b>8</b> Contributions and grants (Part VIII, line 1h)                                      | 68,458,296                | 41,835,170    |
| <b>9</b> Program service revenue (Part VIII, line 2g)                                       | 686,236,021               | 755,493,096   |
| <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)                     | 63,424,144                | 35,716,166    |
| <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)          | 12,840,804                | 12,792,934    |
| <b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)  | 830,959,265               | 845,837,366   |
| <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)                  | 2,681,167                 | 2,472,768     |
| <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)                     |                           | 0             |
| <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 340,039,910               | 356,305,417   |
| <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)                    |                           | 0             |
| <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶0                       |                           |               |
| <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)                      | 336,397,685               | 362,174,036   |
| <b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)          | 679,118,762               | 720,952,221   |
| <b>19</b> Revenue less expenses Subtract line 18 from line 12                               | 151,840,503               | 124,885,145   |
|   | Beginning of Current Year | End of Year   |
| <b>20</b> Total assets (Part X, line 16)  | 1,671,330,367             | 1,680,136,253 |
| <b>21</b> Total liabilities (Part X, line 26)   | 642,636,950               | 534,671,152   |
| <b>22</b> Net assets or fund balances Subtract line 21 from line 20                         | 1,028,693,417             | 1,145,465,101 |

**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: [Signature] Date: 2019-11-15  
Brett D Tande Senior VP and CFO  
Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name: [Name] Preparer's signature: [Signature] Date: [Date]  
Check  if self-employed PTIN: P00634378  
Firm's name ▶ Ernst and Young LLP Firm's EIN ▶ 34-6565596  
Firm's address ▶ 4365 Executive Drive Suite 1600 Phone no (858) 535-7200  
San Diego, CA 92121

**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

It is the mission of Santa Barbara Cottage Hospital to provide superior health care for and improve the health care of our communities through a commitment to our core values of excellence, integrity, and compassion

**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 \$ 600,118,171 including grants of \$ 2,472,768 ) (Revenue \$ 762,540,764 )  
See Additional Data

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

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

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

**4e** Total program service expenses ▶ 600,118,171

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, 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)**

|            |  | Yes     | No |
|------------|--|---------|----|
| <b>23</b>  | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .  | 23 Yes  |    |
| <b>24a</b> | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .                            | 24a Yes |    |
| <b>b</b>   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .  | 24b     | No |
| <b>c</b>   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .   | 24c     | No |
| <b>d</b>   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .  | 24d     | No |
| <b>25a</b> | <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .   | 25a     | No |
| <b>b</b>   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                       | 25b     | No |
| <b>26</b>  | Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                 | 26 Yes  |    |
| <b>27</b>  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . . | 27      | No |
| <b>28</b>  | Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)   |         |    |
| <b>a</b>   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .   | 28a Yes |    |
| <b>b</b>   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .  | 28b     | No |
| <b>c</b>   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .  | 28c     | No |
| <b>29</b>  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .  | 29      | No |
| <b>30</b>  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .  | 30      | No |
| <b>31</b>  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .  | 31      | No |
| <b>32</b>  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .  | 32      | No |
| <b>33</b>  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .  | 33 Yes  |    |
| <b>34</b>  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .  | 34 Yes  |    |
| <b>35a</b> | Did the organization have a controlled entity within the meaning of section 512(b)(13)?  | 35a Yes |    |
| <b>b</b>   | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   | 35b Yes |    |
| <b>36</b>  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .   | 36      | No |
| <b>37</b>  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>   | 37      | No |
| <b>38</b>  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .  | 38 Yes  |    |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

|           |  | Yes    | No |
|-----------|--|--------|----|
| <b>1a</b> | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . .   | 1a 512 |    |
| <b>b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .  | 1b 0   |    |
| <b>c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . | 1c Yes |    |

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . . 2a 3,436

b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note.If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions) 2b Yes

3a Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . . 3a Yes

b If "Yes," has it filed a Form 990-T for this year?If "No" to line 3b, provide an explanation in Schedule O . . . . . 3b Yes

4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . . 4a No

b If "Yes," enter the name of the foreign country ▶ \_\_\_\_\_ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . . 5a No

b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b No

c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . . . . 5c

6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . . . 6a No

b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . 6b

7 Organizations that may receive deductible contributions under section 170(c).

a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . . 7a No

b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . . 7b

c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . 7c Yes

d If "Yes," indicate the number of Forms 8282 filed during the year . . . . . 7d

e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7e No

f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . 7f No

g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . 7g

h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . 7h

8 Sponsoring organizations maintaining donor advised funds.

Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? . . . . . 8

9a Did the sponsoring organization make any taxable distributions under section 4966? . . . . . 9a

b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . . . . 9b

10 Section 501(c)(7) organizations. Enter

a Initiation fees and capital contributions included on Part VIII, line 12 . . . . . 10a

b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b

11 Section 501(c)(12) organizations. Enter

a Gross income from members or shareholders . . . . . 11a

b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) . . . . . 11b

12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?

b If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b

13 Section 501(c)(29) qualified nonprofit health insurance issuers.

a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O 13a

b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . . 13b

c Enter the amount of reserves on hand . . . . . 13c

14a Did the organization receive any payments for indoor tanning services during the tax year? . . . . . 14a No

b If "Yes," has it filed a Form 720 to report these payments?If "No," provide an explanation in Schedule O . . . . . 14b

15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N . . . . . 15 No

16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O . . . . . 16 No

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



Section A. Governing Body and Management

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 (15); 1b Enter the number of voting members included in line 1a, above, who are independent (14); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (Yes); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (Yes); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 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

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed (CA); 18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply: Own website, Another's website, Upon request, Other (explain in Schedule O); 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year; 20 State the name, address, and telephone number of the person who possesses the organization's books and records: Kristin Tufvesson, 400 West Pueblo, Santa Barbara, CA 93105 (805) 324-9933.







**Part VIII Statement of Revenue**

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

|   |   | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under sections<br>512 - 514 |
|---|---|----------------------|--|---|--|
| <b>Contributions, Gifts, Grants and Other Similar Amounts</b> | <b>1a</b> Federated campaigns . . . . .   | <b>1a</b>            |  |   |  |
|   | <b>b</b> Membership dues . . . . .  | <b>1b</b>            |  |   |  |
|   | <b>c</b> Fundraising events . . . . .   | <b>1c</b>            |  |   |  |
|   | <b>d</b> Related organizations . . . . .  | <b>1d</b>            | 40,403,951   |   |  |
|   | <b>e</b> Government grants (contributions) . . . . .  | <b>1e</b>            | 648,228  |   |  |
|   | <b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . . | <b>1f</b>            | 782,991  |   |  |
|   | <b>g</b> Noncash contributions included in lines 1a - 1f \$ _____                                 |                      |  |   |  |
|   | <b>h Total.</b> Add lines 1a-1f . . . . .   |                      | 41,835,170   |   |  |

| <b>Program Service Revenue</b>             |                                       |        | Business Code |             |             |   |   |
|--|---------------------------------------|--------|---------------|-------------|-------------|---|---|
|  | <b>2a</b> NET PATIENT SERVICE REVENUE |        | 622110        | 670,918,259 | 670,918,259 |   |   |
| <b>b</b> LABORATORY SERVICES               |                                       | 621511 | 38,292,065    | 29,713,492  | 8,578,573   |   |   |
| <b>c</b> CA HOSPITAL FEE PROGRAM           |                                       | 622110 | 46,155,408    | 46,155,408  |             |   |   |
| <b>d</b> MEDICAL OFFICE BLDG RENTAL        |                                       | 531120 | 127,364       | 127,364     |             |   |   |
| <b>e</b> _____                             |                                       |        |               |             |             |   |   |
| <b>f</b> All other program service revenue |                                       |        | 0             | 0           | 0           | 0 | 0 |
| <b>g Total.</b> Add lines 2a-2f . . . . .  |                                       |        | 755,493,096   |             |             |   |   |

|  |   |                |               |            |           |            |            |
|--|---|----------------|---------------|------------|-----------|------------|------------|
| <b>Other Revenue</b>   | <b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .   |                |               | 11,216,074 |           |            | 11,216,074 |
|  | <b>4</b> Income from investment of tax-exempt bond proceeds . . . . .   |                |               |            |           |            |            |
|  | <b>5</b> Royalties . . . . .  |                |               |            |           |            |            |
|  | <b>6a</b> Gross rents   | (i) Real       | (ii) Personal |            |           |            |            |
|  |   | 122,714        |               |            |           |            |            |
|  | <b>b</b> Less rental expenses   | 51,229         |               |            |           |            |            |
|  | <b>c</b> Rental income or (loss)  | 71,485         | 0             |            |           |            |            |
|  | <b>d</b> Net rental income or (loss) . . . . .  |                |               | 71,485     |           |            | 71,485     |
|  | <b>7a</b> Gross amount from sales of assets other than inventory  | (i) Securities | (ii) Other    |            |           |            |            |
|  |   | 255,680,745    | 47,098        |            |           |            |            |
|  | <b>b</b> Less cost or other basis and sales expenses  | 231,227,751    |               |            |           |            |            |
|  | <b>c</b> Gain or (loss)   | 24,452,994     | 47,098        |            |           |            |            |
|  | <b>d</b> Net gain or (loss) . . . . .   |                |               | 24,500,092 |           |            | 24,500,092 |
|  | <b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . . | <b>a</b>       |               |            |           |            |            |
|  | <b>b</b> Less direct expenses . . . . .   | <b>b</b>       |               |            |           |            |            |
| <b>c</b> Net income or (loss) from fundraising events . . . . .              |   |                |               |            |           |            |            |
| <b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . . | <b>a</b>  |                |               |            |           |            |            |
| <b>b</b> Less direct expenses . . . . .                                      | <b>b</b>  |                |               |            |           |            |            |
| <b>c</b> Net income or (loss) from gaming activities . . . . .               |   |                |               |            |           |            |            |
| <b>10a</b> Gross sales of inventory, less returns and allowances . . . . .   | <b>a</b>  |                |               |            |           |            |            |
| <b>b</b> Less cost of goods sold . . . . .                                   | <b>b</b>  |                |               |            |           |            |            |
| <b>c</b> Net income or (loss) from sales of inventory . . . . .              |   |                |               |            |           |            |            |
| Miscellaneous Revenue  | Business Code   |                |               |            |           |            |            |
| <b>11a</b> LAB MANAGEMENT  | 561110  | 3,631,443      | 3,631,443     |            |           |            |            |
| <b>b</b> CAFETERIA/GIFT SHOP/DELI/VILLA RIVIERA                              | 900099  | 5,142,636      |               |            | 5,142,636 |            |            |
| <b>c</b> DISCHARGE PHARMACY REVENUE  | 524298  | 632,884        | 632,884       |            |           |            |            |
| <b>d</b> All other revenue . . . . .   |   | 3,314,486      | 2,783,341     | 6,431      |           | 524,714    |            |
| <b>e Total.</b> Add lines 11a-11d . . . . .                                  |   | 12,721,449     |               |            |           |            |            |
| <b>12 Total revenue.</b> See Instructions . . . . .                          |   | 845,837,366    | 753,962,191   | 8,585,004  |           | 41,455,001 |            |

**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

|  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| <b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>  |                       |                                 |  |                             |
| <b>1</b> Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21   | 2,455,498             | 2,455,498                       |  |                             |
| <b>2</b> Grants and other assistance to domestic individuals See Part IV, line 22  | 17,270                | 17,270                          |  |                             |
| <b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16  |                       |                                 |  |                             |
| <b>4</b> Benefits paid to or for members   |                       |                                 |  |                             |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees  |                       |                                 |  |                             |
| <b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| <b>7</b> Other salaries and wages  | 236,595,501           | 197,848,577                     | 38,746,924                             |                             |
| <b>8</b> Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)   | 16,196,247            | 13,590,443                      | 2,605,804                              |                             |
| <b>9</b> Other employee benefits   | 87,531,265            | 66,829,951                      | 20,701,314                             |                             |
| <b>10</b> Payroll taxes  | 15,982,404            | 14,015,719                      | 1,966,685                              |                             |
| <b>11</b> Fees for services (non-employees)  |                       |                                 |  |                             |
| <b>a</b> Management  | 1,614,405             | 1,614,405                       |  |                             |
| <b>b</b> Legal   | 65,077                |                                 | 65,077                                 |                             |
| <b>c</b> Accounting  | 16,300                |                                 | 16,300                                 |                             |
| <b>d</b> Lobbying  |                       |                                 |  |                             |
| <b>e</b> Professional fundraising services See Part IV, line 17  |                       |                                 |  |                             |
| <b>f</b> Investment management fees  | 1,967,175             |                                 | 1,967,175                              |                             |
| <b>g</b> Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)  | 115,347,567           | 83,993,398                      | 31,354,169                             | 0                           |
| <b>12</b> Advertising and promotion  | 142,345               | 17,714                          | 124,631                                |                             |
| <b>13</b> Office expenses  | 12,559,613            | 10,068,723                      | 2,490,890                              |                             |
| <b>14</b> Information technology   | 1,664,601             | 1,479,772                       | 184,829                                |                             |
| <b>15</b> Royalties  |                       |                                 |  |                             |
| <b>16</b> Occupancy  | 10,952,014            | 8,248,514                       | 2,703,500                              |                             |
| <b>17</b> Travel   | 481,146               | 230,820                         | 250,326                                |                             |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| <b>19</b> Conferences, conventions, and meetings   | 339,401               | 174,404                         | 164,997                                |                             |
| <b>20</b> Interest   | 15,464,087            | 12,905,768                      | 2,558,319                              |                             |
| <b>21</b> Payments to affiliates   |                       |                                 |  |                             |
| <b>22</b> Depreciation, depletion, and amortization  | 46,286,037            | 35,763,074                      | 10,522,963                             |                             |
| <b>23</b> Insurance  | 2,602,814             | 1,510,825                       | 1,091,989                              |                             |
| <b>24</b> Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)                                       |                       |                                 |  |                             |
| <b>a</b> Medical Supplies  | 108,603,095           | 108,548,992                     | 54,103                                 |                             |
| <b>b</b> Hospital Fee Program  | 31,685,704            | 31,685,704                      |  |                             |
| <b>c</b> Equipment Maintenance   | 9,269,533             | 8,495,965                       | 773,568                                |                             |
| <b>d</b> Licenses  | 1,605,136             | 99,022                          | 1,506,114                              |                             |
| <b>e</b> All other expenses  | 1,507,986             | 523,613                         | 984,373                                | 0                           |
| <b>25</b> Total functional expenses. Add lines 1 through 24e   | 720,952,221           | 600,118,171                     | 120,834,050                            | 0                           |
| <b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) |                       |                                 |  |                             |

**Part X Balance Sheet**

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

|   |   | (A)<br>Beginning of year |               | (B)<br>End of year     |
|---|---|--------------------------|---------------|------------------------|
| <b>Assets</b>   | <b>1</b> Cash—non-interest-bearing . . . . .  | 16,223,759               | <b>1</b>      | 25,173,541             |
|   | <b>2</b> Savings and temporary cash investments . . . . .   | 27,960,781               | <b>2</b>      | 26,271,809             |
|   | <b>3</b> Pledges and grants receivable, net . . . . .   |                          | <b>3</b>      |                        |
|   | <b>4</b> Accounts receivable, net . . . . .   | 87,145,441               | <b>4</b>      | 108,227,915            |
|   | <b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .   | 26,051,038               | <b>5</b>      | 23,032,479             |
|   | <b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . . | 0                        | <b>6</b>      | 0                      |
|   | <b>7</b> Notes and loans receivable, net . . . . .  | 550,000                  | <b>7</b>      | 550,000                |
|   | <b>8</b> Inventories for sale or use . . . . .  | 16,709,311               | <b>8</b>      | 16,672,314             |
|   | <b>9</b> Prepaid expenses and deferred charges . . . . .  | 9,525,525                | <b>9</b>      | 12,313,520             |
|   | <b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D  | <b>10a</b> 1,085,673,161 |               |                        |
|   | <b>b</b> Less accumulated depreciation  | <b>10b</b> 346,207,573   | 717,702,658   | <b>10c</b> 739,465,588 |
|   | <b>11</b> Investments—publicly traded securities . . . . .  | 295,596,564              | <b>11</b>     | 262,210,340            |
|   | <b>12</b> Investments—other securities See Part IV, line 11 . . . . .   | 316,988,612              | <b>12</b>     | 349,712,212            |
|   | <b>13</b> Investments—program-related See Part IV, line 11 . . . . .  | 0                        | <b>13</b>     |                        |
|   | <b>14</b> Intangible assets . . . . .   | 4,407,029                | <b>14</b>     | 3,753,426              |
|   | <b>15</b> Other assets See Part IV, line 11 . . . . .   | 152,469,649              | <b>15</b>     | 112,753,109            |
| <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . . | 1,671,330,367   | <b>16</b>                | 1,680,136,253 |                        |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses . . . . .   | 94,001,382               | <b>17</b>     | 92,177,907             |
|   | <b>18</b> Grants payable . . . . .  |                          | <b>18</b>     |                        |
|   | <b>19</b> Deferred revenue . . . . .  | 36,372,528               | <b>19</b>     | 103,018                |
|   | <b>20</b> Tax-exempt bond liabilities . . . . .   | 394,552,413              | <b>20</b>     | 389,668,081            |
|   | <b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .  |                          | <b>21</b>     |                        |
|   | <b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .   | 0                        | <b>22</b>     | 0                      |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .  |                          | <b>23</b>     |                        |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .  | 35,000,000               | <b>24</b>     |                        |
|   | <b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24) Complete Part X of Schedule D . . . . .  | 82,710,627               | <b>25</b>     | 52,722,146             |
|   | <b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .  | 642,636,950              | <b>26</b>     | 534,671,152            |
| <b>Net Assets or Fund Balances</b>  | <b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>  |                          |               |                        |
|   | <b>27</b> Unrestricted net assets   | 1,010,730,075            | <b>27</b>     | 1,128,120,594          |
|   | <b>28</b> Temporarily restricted net assets . . . . .   | 11,643,161               | <b>28</b>     | 11,024,326             |
|   | <b>29</b> Permanently restricted net assets   | 6,320,181                | <b>29</b>     | 6,320,181              |
|   | <b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>   |                          |               |                        |
|   | <b>30</b> Capital stock or trust principal, or current funds . . . . .  |                          | <b>30</b>     |                        |
|   | <b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .   |                          | <b>31</b>     |                        |
|   | <b>32</b> Retained earnings, endowment, accumulated income, or other funds  |                          | <b>32</b>     |                        |
| <b>33</b> Total net assets or fund balances . . . . .                         | 1,028,693,417   | <b>33</b>                | 1,145,465,101 |                        |
| <b>34</b> Total liabilities and net assets/fund balances . . . . .            | 1,671,330,367   | <b>34</b>                | 1,680,136,253 |                        |

**Part XI Reconciliation of Net Assets**

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

|           |   |           |               |
|-----------|---|-----------|---------------|
| <b>1</b>  | Total revenue (must equal Part VIII, column (A), line 12)   | <b>1</b>  | 845,837,366   |
| <b>2</b>  | Total expenses (must equal Part IX, column (A), line 25)  | <b>2</b>  | 720,952,221   |
| <b>3</b>  | Revenue less expenses Subtract line 2 from line 1   | <b>3</b>  | 124,885,145   |
| <b>4</b>  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | <b>4</b>  | 1,028,693,417 |
| <b>5</b>  | Net unrealized gains (losses) on investments  | <b>5</b>  | -48,525,350   |
| <b>6</b>  | Donated services and use of facilities  | <b>6</b>  |               |
| <b>7</b>  | Investment expenses   | <b>7</b>  |               |
| <b>8</b>  | Prior period adjustments  | <b>8</b>  |               |
| <b>9</b>  | Other changes in net assets or fund balances (explain in Schedule O)  | <b>9</b>  | 40,411,889    |
| <b>10</b> | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | <b>10</b> | 1,145,465,101 |

**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 |
|-----------|-----|----|
| <b>2a</b> |     | No |
| <b>2b</b> | Yes |    |
| <b>2c</b> | Yes |    |
| <b>3a</b> |     | No |
| <b>3b</b> |     |    |

## Additional Data

**Software ID:** 18007697

**Software Version:** 2018v3.1

**EIN:** 95-1644629

**Name:** Santa Barbara Cottage Hospital

Form 990 (2018)

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

Santa Barbara Cottage Hospital is a 429-bed acute-care hospital located in the City of Santa Barbara. In 2018, the Hospital had 90,998 patient days, served 116,616 outpatients, including emergency services to 45,462 patients. The Hospital provides a wide array of inpatient and outpatient services, including but not limited to the areas of cardiology, orthopedics, neurology, trauma, labor & delivery, psychiatric, neonatal intensive care, pediatric intensive care, pediatrics, laboratory, imaging, therapy, diabetes, oncology, emergency and rehabilitation services. The hospital is diligent in ensuring that all patients have adequate access to care. All patients who do not present insurance are automatically screened for eligibility in government health programs and are assisted in applying for financial assistance if the patient does not qualify for any other assistance. Santa Barbara Cottage Hospital provides critical funding for community health needs, financial assistance, and external grants, while also realizing shortfalls in Medicare, Medi-Cal, and indigent care. Activities in these areas included screenings and health fairs, classes, clinics, lectures, and seminars, community services, community collaborations, and coalitions/committees. External grants aimed at specific community needs included assistance to at risk populations (indigent, substance abuse recovery, elderly) hospice care, funding for low income health care, health care education for our schools & families, family counseling, aging transportation, and nursing education as well as operating pediatric and other clinics at shortfalls. In 2018, the hospital spent over \$138 million on these various programs.

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

| (A)<br>Name and Title                 | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---------------------------------------|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|                                       |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| Steven Ainsley<br>Board Chair         | 5 0<br>.....   | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| Gregory Faulkner<br>Vice Chair        | 1 5<br>.....   | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| Dorothy Largay PhD<br>Vice Chair      | 4 5<br>.....   | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| Edward Bentley MD<br>Secretary        | 1 5<br>.....   | X   |                       | X       |              |                              |        | 0  | 0   | 0   |
| Harry McMahon<br>Committee Chair      | 1 3<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Robert Nourse<br>Committee Chair      | 3 7<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Gamble Parks<br>Committee Chair       | 1 3<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Steven Zola<br>Committee Chair        | 3 7<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Susan Christol-Deacon<br>Board Member | 1 0<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Thomas Cusack<br>Board Member         | 3 0<br>.....   | X   |                       |         |              |                              |        | 0  | 0   | 0   |

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

| (A)<br>Name and Title                            | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director  | Instructional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| Nancy Nielsen<br>Board Member                    | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Ernesto Paredes<br>Board Member                  | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Richard Ponce MD<br>Board Member                 | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Anne Rodriguez MD<br>Board Member                | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Mark Scott MD<br>Board Member                    | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Jon Clark<br>Board Member-part year              | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Marshall (Chip) Turner<br>Board Member-part year | 1 0<br>.....<br>3 0  | X   |                       |         |              |                              |        | 0  | 0   | 0   |
| Ronald Werft<br>President & CEO                  | 15 0<br>.....<br>45 0  |   |                       | X       |              |                              |        | 0  | 1,456,030   | 38,880  |
| Steven Fellows<br>COO                            | 18 0<br>.....<br>32 0  |   |                       | X       |              |                              |        | 0  | 791,779   | 41,553  |
| Brett Tande<br>Senior VP and CFO                 | 12 5<br>.....<br>37 5  |   |                       | X       |              |                              |        | 0  | 827,344   | 41,553  |

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

| (A)<br>Name and Title                                   | (B)<br>Average hours per week (list any hours for related organizations below dotted line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |  | Individual trustee or director  | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| Jacqueline Pierce<br>Asst Secretary-Board (part year)   | 10 0<br>.....<br>30 0  |   |                       | X       |              |                              |        | 0  | 31,609  | 2,984   |
| Teresa Petter<br>Asst Secretary-Board (part year)       | 10 0<br>.....<br>30 0  |   |                       | X       |              |                              |        | 0  | 83,154  | 15,704  |
| DAVID NICHOLS<br>VP BUSINESS DEVEL-LAB                  | 40 0<br>.....<br>0   |   |                       |         |              | X                            |        | 718,600  | 0   | 14,206  |
| RICHARD BESWICK<br>VP RESEARCH & Chief Research Officer | 40 0<br>.....<br>0   |   |                       |         |              | X                            |        | 482,146  | 0   | 71,552  |
| JEFFREY GAUVIN MD<br>DIR OF SURGERY RESIDENCE           | 40 0<br>.....<br>0   |   |                       |         |              | X                            |        | 549,845  | 0   | 34,074  |
| KEITH DEAVILLE<br>DIR SALES & MARKETING-LAB             | 40 0<br>.....<br>0   |   |                       |         |              | X                            |        | 340,599  | 0   | 43,021  |
| STEPHEN KAMINSKI MD<br>DIR TRAMA SVCS & SICU            | 40 0<br>.....<br>0   |   |                       |         |              | X                            |        | 452,631  | 0   | 41,553  |



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

**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](http://www.irs.gov/Form990) for the latest information.

**2018**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Santa Barbara Cottage Hospital

Employer identification number  
95-1644629

**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 |   |   |
|                                    |          |  |   |    |   |   |
| <b>Total</b>                       |          |  |   |    |   |   |

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

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

**Section A. Public Support**

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

**Section B. Total Support**

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

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

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

|           |  |           |  |
|-----------|--|-----------|--|
| <b>14</b> | Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)) | <b>14</b> |  |
| <b>15</b> | Public support percentage for 2017 Schedule A, Part II, line 14                        | <b>15</b> |  |

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

**Section B. Total Support**

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

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

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

|           |  |           |  |
|-----------|--|-----------|--|
| <b>15</b> | Public support percentage for 2018 (line 8, column (f) divided by line 13, column (f)) | <b>15</b> |  |
| <b>16</b> | Public support percentage from 2017 Schedule A, Part III, line 15                      | <b>16</b> |  |

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

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

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

**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

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

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

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

|          |  |     |    |
|----------|--|-----|----|
| <b>1</b> | Check the box next to the method that the organization used to satisfy the Integral Part Test during the year ( <b>see instructions</b> )  |     |    |
| <b>a</b> | <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.   |     |    |
| <b>b</b> | <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.  |     |    |
| <b>c</b> | <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).  |     |    |
| <b>2</b> | Activities Test <b>Answer (a) and (b) below.</b>   |     |    |
| <b>a</b> | Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i> | Yes | No |
| <b>b</b> | Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>  |     |    |
| <b>3</b> | Parent of Supported Organizations <b>Answer (a) and (b) below.</b>   |     |    |
| <b>a</b> | Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>  |     |    |
| <b>b</b> | Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>  |     |    |

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

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

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

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

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

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

## Additional Data

**Software ID:** 18007697

**Software Version:** 2018v3.1

**EIN:** 95-1644629

**Name:** Santa Barbara Cottage Hospital

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

**Facts And Circumstances Test**



**SCHEDULE C**  
(Form 990 or 990-EZ)  
  
Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**  
For Organizations Exempt From Income Tax Under section 501(c) and section 527  
  
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.  
▶Go to [www.irs.gov/Form990](http://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<br>Santa Barbara Cottage Hospital | Employer identification number<br>95-1644629 |
|--|--|

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- b If "Yes," describe in Part IV

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds If none, enter -0- | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0- |
|----------|-------------|---------|---|--|
| 1        |             |         |   |  |
| 2        |             |         |   |  |
| 3        |             |         |   |  |
| 4        |             |         |   |  |
| 5        |             |         |   |  |
| 6        |             |         |   |  |

**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check  if the filing organization checked box A and "limited control" provisions apply

**Limits on Lobbying Expenditures**  
(The term "expenditures" means amounts paid or incurred.)

|  | (a) Filing organization's totals | (b) Affiliated group totals |
|--|----------------------------------|-----------------------------|
|--|----------------------------------|-----------------------------|

- 1a** Total lobbying expenditures to influence public opinion (grass roots lobbying)
- b** Total lobbying expenditures to influence a legislative body (direct lobbying)
- c** Total lobbying expenditures (add lines 1a and 1b)
- d** Other exempt purpose expenditures
- e** Total exempt purpose expenditures (add lines 1c and 1d)
- f** Lobbying nontaxable amount Enter the amount from the following table in both columns

| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is:                |
|---|---|
| Not over \$500,000                              | 20% of the amount on line 1e                      |
| Over \$500,000 but not over \$1,000,000         | \$100,000 plus 15% of the excess over \$500,000   |
| Over \$1,000,000 but not over \$1,500,000       | \$175,000 plus 10% of the excess over \$1,000,000 |
| Over \$1,500,000 but not over \$17,000,000      | \$225,000 plus 5% of the excess over \$1,500,000  |
| Over \$17,000,000                               | \$1,000,000                                       |

- g** Grassroots nontaxable amount (enter 25% of line 1f)
- h** Subtract line 1g from line 1a If zero or less, enter -0-
- i** Subtract line 1f from line 1c If zero or less, enter -0-
- j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |

Yes  No

**4-Year Averaging Period Under section 501(h)**

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

**Lobbying Expenditures During 4-Year Averaging Period**

| Calendar year (or fiscal year beginning in)                      | (a) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) Total |
|--|----------|----------|----------|----------|-----------|
| <b>2a</b> Lobbying nontaxable amount                             |          |          |          |          |           |
| <b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))    |          |          |          |          |           |
| <b>c</b> Total lobbying expenditures                             |          |          |          |          |           |
| <b>d</b> Grassroots nontaxable amount                            |          |          |          |          |           |
| <b>e</b> Grassroots ceiling amount (150% of line 2d, column (e)) |          |          |          |          |           |
| <b>f</b> Grassroots lobbying expenditures                        |          |          |          |          |           |

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

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

|   | (a) |    | (b)    |
|---|-----|----|--------|
|   | Yes | No | Amount |
| <b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of |     |    |        |
| <b>a</b> Volunteers?  |     | No |        |
| <b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?   |     | No |        |
| <b>c</b> Media advertisements?  |     | No |        |
| <b>d</b> Mailings to members, legislators, or the public?   |     | No |        |
| <b>e</b> Publications, or published or broadcast statements?  |     | No |        |
| <b>f</b> Grants to other organizations for lobbying purposes?   |     | No |        |
| <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?  |     | No |        |
| <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?  |     | No |        |
| <b>i</b> Other activities?  | Yes |    | 40,208 |
| <b>j</b> Total Add lines 1c through 1i  |     |    | 40,208 |
| <b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?   |     | No |        |
| <b>b</b> If "Yes," enter the amount of any tax incurred under section 4912  |     |    |        |
| <b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912   |     |    |        |
| <b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?   |     |    |        |

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

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

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

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

**Part IV Supplemental Information**

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

| Return Reference  | Explanation  |
|---|--|
| Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY | Lobbying activities are calculated as a percentage of dues paid to various hospital associations, including American Hospital Association, National Association of Children's Hospitals, and Hospital Association of Southern California The percentage of dues used for lobbying purposes is provided by each association |
| Schedule C, Part II-B, Line 1 DETAILED DESCRIPTION OF THE LOBBYING ACTIVITY | Lobbying activities are calculated as a percentage of dues paid to various hospital associations, including American Hospital Association, National Association of Children's Hospitals, and Hospital Association of Southern California The percentage of dues used for lobbying purposes is provided by each association |

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

**Supplemental Financial Statements**  
**► 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](http://www.irs.gov/Form990) for the latest information.**

OMB No 1545-0047  
**2018**  
**Open to Public Inspection**

**Name of the organization**  
Santa Barbara Cottage Hospital

**Employer identification number**  
95-1644629

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

|  | (a) Donor advised funds                                  | (b) Funds and other accounts |
|--|--|------------------------------|
| <b>1</b> Total number at end of year   |  |                              |
| <b>2</b> Aggregate value of contributions to (during year)   |  |                              |
| <b>3</b> Aggregate value of grants from (during year)  |  |                              |
| <b>4</b> Aggregate value at end of year  |  |                              |
| <b>5</b> Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |
| <b>6</b> Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | <input type="checkbox"/> Yes <input type="checkbox"/> No |                              |

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

**1** Purpose(s) of conservation easements held by the organization (check all that apply)

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

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

**2** Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

|   | Held at the End of the Year |  |
|---|-----------------------------|--|
| <b>a</b> Total number of conservation easements   | <b>2a</b>                   |  |
| <b>b</b> Total acreage restricted by conservation easements   | <b>2b</b>                   |  |
| <b>c</b> Number of conservation easements on a certified historic structure included in (a)   | <b>2c</b>                   |  |
| <b>d</b> Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register | <b>2d</b>                   |  |

**3** Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

**4** Number of states where property subject to conservation easement is located ► \_\_\_\_\_

**5** Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

**6** Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \_\_\_\_\_

**7** Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

**8** Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

**9** In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

**1a** If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

**b** If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

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

**2** If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a**  Public exhibition
  - b**  Scholarly research
  - c**  Preservation for future generations
  - d**  Loan or exchange programs
  - e**  Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- |   | Amount |
|---|--------|
| <b>1c</b> Beginning balance             |        |
| <b>1d</b> Additions during the year     |        |
| <b>1e</b> Distributions during the year |        |
| <b>1f</b> Ending balance                |        |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . .  Yes  No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . .

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

|   | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance . . . . .                     | 6,320,181        | 6,320,181      | 6,320,181          | 6,320,181            | 6,320,181           |
| <b>b</b> Contributions . . . . .                                  |                  |                |                    |                      |                     |
| <b>c</b> Net investment earnings, gains, and losses               |                  |                |                    |                      |                     |
| <b>d</b> Grants or scholarships . . . . .                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs . . . . . |                  |                |                    |                      |                     |
| <b>f</b> Administrative expenses . . . . .                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance . . . . .                            | 6,320,181        | 6,320,181      | 6,320,181          | 6,320,181            | 6,320,181           |

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶ 0 %
  - b** Permanent endowment ▶ 100 %
  - c** Temporarily restricted endowment ▶ 0 %
- 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
- |  |     |    |
|--|-----|----|
| <b>(i)</b> unrelated organizations . . . . .   | Yes | No |
| <b>(ii)</b> related organizations . . . . .  | No  | No |
| <b>b</b> If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? . . . . . |     |    |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.**

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

| Description of property   | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| <b>1a</b> Land . . . . .  | 1,645,545                            | 12,708,888                      |                              | 14,354,433     |
| <b>b</b> Buildings . . . . .  | 1,061,461                            | 850,673,428                     | 226,066,324                  | 625,668,565    |
| <b>c</b> Leasehold improvements   |                                      | 25,579,962                      | 3,998,881                    | 21,581,081     |
| <b>d</b> Equipment . . . . .  |                                      | 185,073,778                     | 112,804,415                  | 72,269,363     |
| <b>e</b> Other . . . . .  |                                      | 8,930,099                       | 3,337,953                    | 5,592,146      |
| <b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . ▶ |                                      |                                 |                              | 739,465,588    |

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

| (a) Description of security or category<br>(including name of security)  | (b) Book value | (c) Method of valuation<br>Cost or end-of-year market value |
|--|----------------|---|
| (1) Financial derivatives . . . . .                                      |                |   |
| (2) Closely-held equity interests . . . . .                              |                |   |
| (3) Other _____  |                |   |
| (A) Alternative Investments  | 349,667,380    | F   |
| (B) Investment in CCIMG  | 44,832         | C   |
| (C)  |                |   |
| (D)  |                |   |
| (E)  |                |   |
| (F)  |                |   |
| (G)  |                |   |
| (H)  |                |   |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 12 ) | 349,712,212    |   |

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

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

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

| (a) Description  | (b) Book value |
|--|----------------|
| (1) Due from Affiliates  | 60,421,606     |
| (2) Medicare and Medi-cal Reserves                                       | 31,657,636     |
| (3) Interest Rate Swap Asset   |                |
| (4) All Other Receivables  | 13,656,727     |
| (5) All Other Receivables  | 7,017,140      |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15 ) | 112,753,109    |

**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   |                |
| MINIMUM PENSION LIABILITY & SERP   | 327,664        |
| SELF INSURANCE LIABILITY   | 22,275,256     |
| SPLIT DOLLAR LIFE LIABILITY  | 14,881,832     |
| PHYSICIAN GUARANTEES   | 15,237,394     |
| INTEREST RATE SWAP   |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25 ) | 52,722,146     |

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

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

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

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

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

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

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

**Part XIII Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

| Return Reference          | Explanation |
|---------------------------|-------------|
| See Additional Data Table |             |
|                           |             |
|                           |             |
|                           |             |
|                           |             |
|                           |             |
|                           |             |

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

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



## Additional Data

**Software ID:** 18007697

**Software Version:** 2018v3.1

**EIN:** 95-1644629

**Name:** Santa Barbara Cottage Hospital

## Supplemental Information

| Return Reference                   | Explanation  |
|------------------------------------|--|
| Schedule D, Part V Endowment funds | SANTA BARBARA COTTAGE HOSPITAL CONSIDERS ITS ENDOWMENT TO INCLUDE ONLY PERMANENTLY RESTRICTED FUNDS SCHEDULE D, PART V ON THE FORM 990 FOR PRIOR YEARS MISTAKENLY ALSO INCLUDED AS ENDOWMENT ALL TEMPORARILY RESTRICTED FUND ACCOUNTS INCLUDING EARNINGS ON THESE AMOUNTS THAT ARE ALSO TREATED AS TEMPORARILY RESTRICTED THE MISTAKE HAS BEEN CORRECTED ON THIS 2018 FORM 990 TO SHOW ONLY THE ENDOWMENT FOR ALL YEARS THAT REPORTING IS REQUIRED DURING THE YEARS SHOWN ON SCHEDULE D, PART V, NO CONTRIBUTIONS WERE MADE TO THE ENDOWMENT |

## Supplemental Information

| Return Reference   | Explanation   |
|--|---|
| Schedule D, Part V, Line 4<br>Intended uses of endowment funds | Income generated on Endowment Funds support specific programs of SBCH |

## Supplemental Information

| Return Reference                                     | Explanation  |
|--|--|
| Schedule D, Part X, Line 2 FIN 48 (ASC 740) footnote | Cottage completed an analysis of its tax positions, in accordance with FASB ASC 740, Income Taxes, and determined that there are no uncertain tax positions taken. Cottage has recognized no interest or penalties related to uncertain tax positions. Cottage is subject to routine audits by the taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The System believes it is no longer subject to income tax examinations for years prior to 2014. |

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

# Hospitals

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**  
 ▶ **Attach to Form 990.**  
 ▶ **Go to [www.irs.gov/Form990EZ](http://www.irs.gov/Form990EZ) for instructions and the latest information.**

OMB No 1545-0047  
2018  
**Open to Public Inspection**

**Name of the organization**  
 Santa Barbara Cottage Hospital

**Employer identification number**  
 95-1644629

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

|   |           | Yes | No |
|---|-----------|-----|----|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a   | <b>1a</b> | Yes |    |
| <b>b</b> If "Yes," was it a written policy? . . . . .   | <b>1b</b> | Yes |    |
| <b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year<br><input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities |           |     |    |
| <b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  |           |     |    |
| <b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care<br><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>35000 %</u>   | <b>3a</b> | Yes |    |
| <b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care<br><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>44500 %</u>                  | <b>3b</b> | Yes |    |
| <b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care   |           |     |    |
| <b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?   | <b>4</b>  | Yes |    |
| <b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?   | <b>5a</b> | Yes |    |
| <b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?   | <b>5b</b> | Yes |    |
| <b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?   | <b>5c</b> |     | No |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year?  | <b>6a</b> | Yes |    |
| <b>b</b> If "Yes," did the organization make it available to the public?  | <b>6b</b> | Yes |    |

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

| Financial Assistance and Means-Tested Government Programs  | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| <b>a</b> Financial Assistance at cost (from Worksheet 1)   |   |                               | 6,911,255                           |                               | 6,911,255                         | 0 96 %                       |
| <b>b</b> Medicaid (from Worksheet 3, column a)   |   |                               | 135,672,117                         | 73,404,013                    | 62,268,104                        | 8 64 %                       |
| <b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)              |   |                               |                                     |                               | 0                                 | 0 %                          |
| <b>d Total</b> Financial Assistance and Means-Tested Government Programs                           | 0   | 0                             | 142,583,372                         | 73,404,013                    | 69,179,359                        | 9 60 %                       |
| <b>Other Benefits</b>  |   |                               |                                     |                               |                                   |                              |
| <b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) |   |                               | 2,194,594                           | 37,895                        | 2,156,699                         | 0 30 %                       |
| <b>f</b> Health professions education (from Worksheet 5)   |   |                               | 15,285,832                          | 2,851,990                     | 12,433,842                        | 1 72 %                       |
| <b>g</b> Subsidized health services (from Worksheet 6)   |   |                               | 19,565,967                          | 6,420,360                     | 13,145,607                        | 1 82 %                       |
| <b>h</b> Research (from Worksheet 7)   |   |                               | 853,733                             | 295,143                       | 558,590                           | 0 08 %                       |
| <b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)                   |   |                               | 1,614,369                           |                               | 1,614,369                         | 0 22 %                       |
| <b>j Total.</b> Other Benefits   | 0   | 0                             | 39,514,495                          | 9,605,388                     | 29,909,107                        | 4 15 %                       |
| <b>k Total.</b> Add lines 7d and 7j  | 0   | 0                             | 182,097,867                         | 83,009,401                    | 99,088,466                        | 13 74 %                      |

**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                         |   |                               |                                      |                               | 0                                  | 0 %                          |
| 2 Economic development                                      |   |                               |                                      |                               | 0                                  | 0 %                          |
| 3 Community support   |   |                               |                                      |                               | 0                                  | 0 %                          |
| 4 Environmental improvements                                |   |                               |                                      |                               | 0                                  | 0 %                          |
| 5 Leadership development and training for community members |   |                               |                                      |                               | 0                                  | 0 %                          |
| 6 Coalition building  |   |                               |                                      |                               | 0                                  | 0 %                          |
| 7 Community health improvement advocacy                     |   |                               |                                      |                               | 0                                  | 0 %                          |
| 8 Workforce development                                     |   |                               |                                      |                               | 0                                  | 0 %                          |
| 9 Other   |   |                               |                                      |                               | 0                                  | 0 %                          |
| <b>10 Total</b>   | 0   | 0                             | 0                                    | 0                             | 0                                  | 0 %                          |

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

**Section A. Bad Debt Expense**

|   | Yes   | No |
|---|-------|----|
| 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?   | 1 Yes |    |
| 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.   | 2 0   |    |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. | 3 0   |    |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.   |       |    |

**Section B. Medicare**

|   |               |
|---|---------------|
| 5 Enter total revenue received from Medicare (including DSH and IME).   | 5 163,500,823 |
| 6 Enter Medicare allowable costs of care relating to payments on line 5.  | 6 202,841,492 |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall).  | 7 -39,340,669 |
| 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.<br><br><input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other |               |

**Section C. Collection Practices**

|  |        |
|--|--------|
| 9a Did the organization have a written debt collection policy during the tax year?   | 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 Cottage Cardiovascular Institute Management Group LLC | Provides quality assessment, utilization and efficiency oversight for cardiovascular services | 40 %   | 0 %  | 60 %  |
| 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)

Santa Barbara Cottage Hospital

Name of hospital facility or letter of facility reporting group

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

Table with 3 columns: Question, Yes, No. Rows include Community Health Needs Assessment questions 1 through 12b.

**Part V Facility Information** (continued)**Financial Assistance Policy (FAP)**

Santa Barbara Cottage Hospital

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

|  |   | Yes           | No |
|--|---|---------------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that |   |               |    |
| <b>13</b>  | Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?<br>If "Yes," indicate the eligibility criteria explained in the FAP  | <b>13</b> Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>350 0</u> %<br>and FPG family income limit for eligibility for discounted care of <u>445 0</u> %   |               |    |
| <b>b</b>   | <input type="checkbox"/> Income level other than FPG (describe in Section C)  |               |    |
| <b>c</b>   | <input checked="" type="checkbox"/> Asset level   |               |    |
| <b>d</b>   | <input checked="" type="checkbox"/> Medical indigency   |               |    |
| <b>e</b>   | <input checked="" type="checkbox"/> Insurance status  |               |    |
| <b>f</b>   | <input checked="" type="checkbox"/> Underinsurance discount   |               |    |
| <b>g</b>   | <input type="checkbox"/> Residency  |               |    |
| <b>h</b>   | <input type="checkbox"/> Other (describe in Section C)  |               |    |
| <b>14</b>  | Explained the basis for calculating amounts charged to patients? . . . . .  | <b>14</b> Yes |    |
| <b>15</b>  | Explained the method for applying for financial assistance? . . . . .<br>If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)   | <b>15</b> Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application  |               |    |
| <b>b</b>   | <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application  |               |    |
| <b>c</b>   | <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process  |               |    |
| <b>d</b>   | <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications   |               |    |
| <b>e</b>   | <input checked="" type="checkbox"/> Other (describe in Section C)   |               |    |
| <b>16</b>  | Was widely publicized within the community served by the hospital facility? . . . . .<br>If "Yes," indicate how the hospital facility publicized the policy (check all that apply)  | <b>16</b> Yes |    |
| <b>a</b>   | <input checked="" type="checkbox"/> The FAP was widely available on a website (list url)<br><u>http://www.cottagehealth.org/billing/financial-assistance/</u>   |               |    |
| <b>b</b>   | <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url)<br><u>http://www.cottagehealth.org/billing/financial-assistance/</u>  |               |    |
| <b>c</b>   | <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url)<br><u>http://www.cottagehealth.org/billing/financial-assistance/</u>   |               |    |
| <b>d</b>   | <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |               |    |
| <b>e</b>   | <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)   |               |    |
| <b>f</b>   | <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)  |               |    |
| <b>g</b>   | <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention |               |    |
| <b>h</b>   | <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP   |               |    |
| <b>i</b>   | <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations   |               |    |
| <b>j</b>   | <input type="checkbox"/> Other (describe in Section C)  |               |    |



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

Santa Barbara Cottage Hospital

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

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

**Policy Relating to Emergency Medical Care**

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

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

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

Santa Barbara Cottage Hospital

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

**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a  The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b  The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c  The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d  The hospital facility used a prospective Medicare or Medicaid method

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

If "Yes," explain in Section C

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

If "Yes," explain in Section C

|           | Yes | No |
|-----------|-----|----|
| <b>23</b> |     | No |
| <b>24</b> |     | No |



**Part V** Facility Information *(continued)***Section 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? 11

| Name and address            | Type of Facility (describe) |
|-----------------------------|-----------------------------|
| 1 See Additional Data Table |                             |
| 2                           |                             |
| 3                           |                             |
| 4                           |                             |
| 5                           |                             |
| 6                           |                             |
| 7                           |                             |
| 8                           |                             |
| 9                           |                             |
| 10                          |                             |

**Part VI Supplemental Information**

Provide the following information

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

**990 Schedule H, Supplemental Information**

| Form and Line Reference  | Explanation   |
|--|---|
| Schedule H, Part I, Line 3c Other Financial Assistance Factors       | Santa Barbara Cottage Hospital uses FPG based on Household Income to determine eligibility for both discount and charity care on the patient responsibility whether or not covered by insurance. A presumptive FPG is also utilized to write off balances for patients who have a presumptive score of 350% of FPG or lower. Assets are considered for certain patients who exceed FPG levels but who have high medical debt. Patients who were determined to be homeless also qualify for free care, assuming they did not qualify for other insurance programs. |
| Schedule H, Part I, Line 6b Availability of Community Benefit Report | Cottage Health prepares a Community Benefit Report on behalf of Santa Barbara Cottage Hospital, Goleta Valley Cottage Hospital and Santa Ynez Valley Cottage Hospital. It is filed with the State of California, in compliance with California Senate Bill 697. The Community Benefit Report is available to the public upon request. In addition it can be found on the OSHPD website <a href="https://www.oshpd.ca.gov/HID/CommunityBenefit/Plans.html">https://www.oshpd.ca.gov/HID/CommunityBenefit/Plans.html</a>  |

**990 Schedule H, Supplemental Information**

| Form and Line Reference   | Explanation   |
|---|---|
| Schedule H, Part V, Section B, Line 16 FAP languages                  | The FAP is available in English, Tagalog, Mandarin and Spanish at the website notated in 16 a and b   |
| Schedule H, Part V, Section B Disclosure Pursuant to Rev Proc 2015-21 | <p>The following information is provided pursuant to Section 7 of Revenue Procedure 2015-21 to disclose certain noncompliance with the requirements of Internal Revenue Code Section 501(R) The Revenue Procedure provides for such noncompliance to be reported on the Form 990 filed for the year such noncompliance was discovered In the interest of timeliness and transparency, Cottage Health disclosed certain noncompliance with Internal Revenue Code 501(R) on its Form 990 for 2016 and 2017 relative to noncompliance identified in 2017 Upon discovery of the noncompliance, immediate efforts were made in 2017 to implement all required processes and procedures and identify any individuals who were affected by the noncompliance In 2017 Cottage Health took corrective actions outlined in its Form 990 for 2016 and 2017 Additionally the below corrective actions were finalized in 2018 subsequent to the Form 990 filing for 2016 and 2017 Cottage Health undertook additional public outreach to ensure compliance with the "Widely Publicized" requirement at 26 C F R 1 501(r)-4(b)(1)(ii) by informing affected individuals that the FAP is now available on the Cottage Health website at <a href="http://www.CottageHealth.org/FAP">www.CottageHealth.org/FAP</a> Cottage Health also distributed an email on April 2, 2018 to all individuals whose email addresses were on record with one of the Cottage Health hospital facilities as a general notification to the community of the availability of financial assistance, including how to obtain Cottage Health's Financial Assistance Policy, Financial Assistance Application, and Plain Language Summary</p> |

**990 Schedule H, Supplemental Information**

| Form and Line Reference  | Explanation  |
|--|--|
| Schedule H, Part I, Line 6a<br>Community benefit report prepared by related organization | Cottage Health   |
| Schedule H, Part I, Line 7g<br>Subsidized Health Services                                | Included in subsidized health care are Palliative Care services which are provided at no cost to the patient<br>In addition, Santa Barbara Cottage Hospital provides multi pediatric outpatient clinics, a cardio-vascular clinic, a pulmonary clinic, trauma care staffing and therapeutic recreation services, all at a substantial financial loss to the hospital |

**990 Schedule H, Supplemental Information**

| Form and Line Reference   | Explanation  |
|---|--|
| Schedule H, Part I, Line 7 Costing Methodology used to calculate financial assistance | Costing methodology Direct costs are calculated at the providing department level and overhead costs are allocated according to the Medicare step-down method, based upon applicable statistics Each payer's cost is determined by the services provided to their members The community benefits amounts attributable to Medicaid and other Government programs are based upon the services provided and resulting costs incurred for their inpatients, outpatients and emergency department visits  |
| Schedule H, Part III, Line 2 Bad debt expense - methodology used to estimate amount   | THE HOSPITAL ADOPTED THE FINANCIAL ACCOUNTING STANDARDS BOARD'S ACCOUNTING STANDARDS UPDATE 2014-09 TOPIC 606 (ASU 606) EFFECTIVE JANUARY 1, 2018 ASU 606 AND THE HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION (HFMA) DIFFERENTIATE BAD DEBT FROM IMPLICIT PRICE CONCESSIONS THE HOSPITAL MAKES A DETERMINATION REGARDING A PRICE CONCESSION TO STANDARD PRICING ON A PORTFOLIO BASIS PRIOR TO ASSESSING THE CREDIT RISK OF INDIVIDUALS WITHIN THE PORTFOLIO PATIENT SERVICE REVENUE IS RECORDED NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS, INCLUDING AN ESTIMATE FOR IMPLICIT PRICE CONCESSIONS BAD DEBT IS RECORDED AS AN OPERATING EXPENSE AND RESULTS WHEN A PATIENT, DETERMINED TO HAVE THE FINANCIAL CAPACITY TO PAY FOR HEALTHCARE SERVICES, IS UNWILLING TO DO SO FOR THE TAX YEAR ENDED DECEMBER 31, 2018, THE HOSPITAL MADE NO SUCH DETERMINATION, AND THEREFORE RECORDED NO BAD DEBT EXPENSE |



**990 Schedule H, Supplemental Information**

| Form and Line Reference  | Explanation   |
|--|---|
| <p>Schedule H, Part III, Line 4 Bad debt expense - financial statement footnote</p>                    | <p>Effective January 1, 2018 Cottage adopted the new revenue standard using the modified retrospective method. The most significant impact of adopting the new standard is to the presentation of our consolidated income statements, where we no longer present the "Provision for doubtful accounts" as a separate line item and our "Revenues" are presented net of estimated implicit price concession revenue deductions. We also have eliminated the related presentation of "allowances for doubtful accounts" on our consolidated balance sheets as a result of the adoption of the new standard. The Hospital's revenues generally relate to contracts with patients in which the performance obligations are to provide health care services to the patients. Revenues are recorded during the period the Hospital's obligations to provide health care services are satisfied. The Hospital's performance obligations for inpatient services are generally satisfied over periods that average approximately a few days, and revenues are recognized based on charges incurred in relation to total expected charges. The Hospital's performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payer (Medicare, Medicaid, managed care health plans and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by (Medicare and Medicaid) or negotiated with (managed care health plans and commercial insurance companies) the third-party payers. The payment arrangements with third-party payers for the services we provide to the related patients typically specify payments at amounts less than our standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Revenues are based upon the estimated amounts Cottage expects to be entitled to receive from patients and third-party payers. Estimates of contractual allowances under managed care and commercial insurance plans are based upon the payment terms specified in the related contractual agreements. Revenues related to uninsured patients and uninsured copayment and deductible amounts for patients who have health care coverage may have discounts applied (uninsured discounts and contractual discounts). Cottage also records estimated implicit price concessions (based primarily on historical collection experience) related to uninsured accounts to record selfpay revenues at the estimated amounts expected to be collected.</p> |
| <p>Schedule H, Part III, Line 8 Community benefit &amp; methodology for determining medicare costs</p> | <p>The shortfall from total costs for Medicare patients is a significant loss to the hospital. The Hospital is providing care to patients whose insurance (Medicare) does not cover the entire cost of their care. This provides significant aid to the elderly in the community. Some of these elderly people would qualify under FAP guidelines for financial assistance under any other Payer program. The dollars reported are taken from the 2018 Medicare Cost Report and are derived following their guidelines of allowable and non-allowable costs. This shortfall has been adjusted down by \$3,241,883 of Medicare shortfall included in the analysis of clinics and other patient areas operating at a loss in H-I-7g.</p>  |

**990 Schedule H, Supplemental Information**

| Form and Line Reference  | Explanation  |
|--|--|
| Schedule H, Part III, Line 9b<br>Collection practices for patients eligible for financial assistance | <p>Cottage Health's Financial Assistance Policy (FAP), which includes actions Cottage Health may take in the event of non-payment and applies to the largest number of Cottage Health's patients, states that Cottage Health will not engage in Extraordinary Collection Activities (ECAs) (defined in the policy) for a period of at least 150 days following the date of the first post-discharge billing statement, nor will Cottage Health engage in ECAs before making a reasonable effort to determine whether a patient is eligible for financial assistance pursuant to Cottage Health's FAP. The FAP further states that, at least 30 days prior to engaging in any ECAs, Cottage Health will (a) provide written notice to patients regarding the availability of financial assistance, the specific ECAs Cottage Health intends to take in the event of non-payment, and a deadline after which Cottage Health may initiate ECAs, (b) provide to patients a written plain language summary of Cottage Health's FAP, and (c) make reasonable efforts to orally notify patients about Cottage Health's FAP and how the patient can obtain assistance with the financial assistance application. The FAP further states that, if Cottage Health receives a complete financial assistance application during the Application Period (as defined in the FAP), Cottage Health will suspend ECAs and process the patient's application, and if Cottage Health receives an incomplete financial assistance application during the Application Period, Cottage Health will suspend ECAs and provide a reasonable opportunity for the patient to submit a complete financial assistance application. ECAs are defined as (a) actions requiring a legal or judicial process, and (b) reporting adverse information to credit reporting agencies or credit bureaus. Cottage Health's FAP further states that Cottage Health may employ reasonable collection efforts to obtain payment from patients, other than ECAs, including issuing statements, making telephone calls, and sending e-mail messages.</p> |
| Schedule H, Part V, Section B, Line 16a FAP website  | - Santa Barbara Cottage Hospital Line 16a URL <a href="http://www.cottagehealth.org/billing/financial-assistance/">http://www.cottagehealth.org/billing/financial-assistance/</a> ,  |

## 990 Schedule H, Supplemental Information

| Form and Line Reference  | Explanation   |
|--|---|
| Schedule H, Part V, Section B, Line 16b FAP Application website            | - Santa Barbara Cottage Hospital Line 16b URL <a href="http://www.cottagehealth.org/billing/financial-assistance/">http //www cottagehealth org/billing/financial-assistance/</a> , |
| Schedule H, Part V, Section B, Line 16c FAP plain language summary website | - Santa Barbara Cottage Hospital Line 16c URL <a href="http://www.cottagehealth.org/billing/financial-assistance/">http //www cottagehealth org/billing/financial-assistance/</a> , |

**990 Schedule H, Supplemental Information**

| Form and Line Reference   | Explanation   |
|---|---|
| Schedule H, Part VI, Line 2 Needs assessment                                | Cottage Health, through its hospitals Santa Barbara Cottage Hospital, Goleta Valley Cottage Hospital, and Santa Ynez Valley Cottage Hospital, researched the needs of the county through the Community Health Needs Assessment (CHNA) As discussed in detail in H-V-line5, the assessment included a broad group of participants from the public and private sector plus existing health data in the government sector and past needs assessment information Needs prioritized in the CHNA include Access to Care, Behavioral Health, Chronic conditions, food insecurity and housing insecurity In addition, Cottage Health has prioritized injury and violence within the Behavioral Health area The Hospitals provide critical funding for community health, financial assistance, and external grants, while also realizing shortfalls in Medicare, Medi-Cal, and indigent care Activities in these areas included screenings and health fairs, classes, clinics, lectures, and seminars, community services, community collaborations, and coalitions/committees In 2018, Cottage Health spent over \$155 million on these programs  |
| Schedule H, Part VI, Line 3 Patient education of eligibility for assistance | COTTAGE HEALTH HAS A MULTIFACETED FINANCIAL ASSISTANCE PROGRAM (FAP) TO ENSURE THAT ALL PATIENTS RECEIVE INFORMATION ABOUT OUR FAP, AND PATIENTS WHO DO NOT HAVE INSURANCE ARE SCREENED FOR ELIGIBILITY IN A GOVERNMENT SPONSORED HEALTHCARE PLAN THE HOSPITAL POSTS INFORMATION ABOUT THE FAP IN ALL REGISTRATION AREAS SIGNS IN ENGLISH, TAGALOG, MANDARIN AND SPANISH ARE LOCATED IN ALL AREAS WHERE PATIENTS ARE REGISTERED FOR INPATIENT AND OUTPATIENT SERVICES SIGNS ARE ALSO LOCATED IN THE PATIENT BILLING OFFICE AND CASHIER OFFICE PATIENTS WILL ALSO BE CONTACTED BY AN ADMITTING REPRESENTATIVE OR ELIGIBILITY COUNSELOR TO ASSIST THE PATIENT IN DETERMINING ELIGIBILITY FOR GOVERNMENT SPONSORED INSURANCE PROGRAMS AND ASSIST WITH THE APPLICATION PROCESS AT NO COST TO THE PATIENT PATIENT FINANCIAL COUNSELORS WHO ANSWER CUSTOMER SERVICE CALLS ARE INSTRUCTED TO OFFER a plain language summary (PLS) of the FAP APPLICATIONS TO ALL PATIENTS Additionally, each patient is provided with information regarding the FAP on their billing statement, and each billing statement is accompanied by the PLS SANTA BARBARA COTTAGE HOSPITAL ALSO WORKS CO-OPERATIVELY WITH THE COUNTY OF SANTA BARBARA TO PROVIDE NON-EMERGENCY FINANCIAL ASSISTANCE SERVICES THIS PROGRAM IS KNOWN AS THE COMMUNITY SERVICE PROGRAM ALL MEMBERS OF THE COMMUNITY WHO MEET THE FINANCIAL CRITERIA ARE ELIGIBLE FOR THE COMMUNITY SERVICE PROGRAM, BUT MUST BE REFERRED BY A PHYSICIAN WHEN PATIENTS WHO VISIT THE SANTA BARBARA PUBLIC HEALTH DEPARTMENT CLINIC HAVE A NEED FOR A MEDICALLY-NECESSARY BUT NON-EMERGENCY SERVICE, THE PHYSICIANS AND CLINIC STAFF INFORM THE PATIENT OF THE COMMUNITY SERVICE PROGRAM AND HELP THE PATIENT TO APPLY INDEPENDENT PHYSICIANS IN THE COMMUNITY WERE MADE AWARE OF THE PROGRAM AND HOW TO ACCESS SERVICES ON BEHALF OF THEIR PATIENTS |

## 990 Schedule H, Supplemental Information

| Form and Line Reference  | Explanation   |
|--|---|
| <p>Schedule H, Part VI, Line 4<br/>Community information</p>         | <p>Santa Barbara County consists of 2,750 square miles of land and inland water area. Approximately rectangular in shape, Santa Barbara County is bordered on the north by San Luis Obispo County, on the east by Ventura County, and on the south and west by 107 miles of Pacific coastline. Much of the county is mountainous. The Santa Ynez, San Rafael and Sierra Madre mountains extend in a predominately east west direction. Within the county, there are numerous fertile agricultural areas, including the Santa Maria, Cuyama, Lompoc, and Santa Ynez Valleys, and the southeast coastal plain. These areas, which include most of the developed land, also accommodate the majority of the population. Los Padres National Forest, in the eastern part of the county, covers approximately 44 percent of the total county area. Vandenberg Air Force Base is in the Lompoc region, while UCSB is on the South Coast. North County refers to the area west and north of Gaviota and includes the Lompoc, Santa Maria, Santa Ynez and Cuyama valleys. South Coast refers to the Goleta, Santa Barbara, and Carpinteria coastal plain. Santa Barbara County's approximate 440,000 population is divided into six sub regions: Santa Barbara/Goleta Region, Santa Ynez Valley, Carpinteria Valley, Lompoc Valley, Santa Maria Valley, Guadalupe Valley, and the Cuyama Valley. Of the total population, approximately 50% are females. The median age is 33.6 years. The population age breakdown is: 27.4% under 20 years old, 59.2% are 20 to 64 years old and 13.4% are 65 and older. For people reporting one race, 46.8% are White, 43.7% are Hispanic, 1.6% are Black or African American, 4.8% are Asian, and 3.1% are Other/Multi-Racial. 16.65% of county residents live below the poverty level. The residents of the County are served by 5 hospitals throughout the county.</p> |
| <p>Schedule H, Part VI, Line 5<br/>Promotion of community health</p> | <p>The Board of Directors is made up of prominent community members who volunteer their time to ensure that the Santa Barbara Community has access to high-quality, affordable healthcare. The Board of Directors is actively involved in the Hospital's strategic decisions and takes its commitment to the Community very seriously. The Board approves of an annual financial budget and ten-year financial plan to guarantee the Hospital will continue to offer hospital services to the Community for years to come. The Board also approves of annual top goals that are consistent with the mission, vision and values of the Hospital. The financial forethought of the Board of Directors resulted in surplus funds that are being used to rebuild the facility. Santa Barbara Cottage Hospital is building a new hospital in order to comply with the unfunded mandate of the State of California's Senate Bill 1953 (SB1953), which requires all hospitals to retrofit or rebuild in order to withstand a major earthquake. The Hospital used this opportunity to live the core value of excellence by ensuring that the new facility will meet the current and future healthcare needs of the Community. This is the largest project in the Hospital's history. The hospital is nearing completion of the third phase of construction of the new facility. Santa Barbara Cottage Hospital works cooperatively with the open medical staff to improve healthcare in the community. The Hospital is exploring how to better align with physicians in order to provide the highest quality of care.</p>   |

**990 Schedule H, Supplemental Information**

| Form and Line Reference  | Explanation   |
|--|---|
| Schedule H, Part VI, Line 6 Affiliated health care system            | Cottage Health is the parent organization of Santa Barbara Cottage Hospital, Goleta Valley Cottage Hospital and Santa Ynez Valley Cottage Hospital and Goleta Valley Professional Buildings, Inc These organizations have a common Board of Directors Cottage Health Hospitals are the sole hospital providers in the Community and strategic plans are created with all the Hospitals and their Communities in mind Santa Barbara Cottage Hospital is the largest hospital in the system and provides the widest array of services As such, Santa Barbara Cottage Hospital experiences the largest amount of financial assistance and Medicaid shortfall from cost The hospital also provides the majority of community benefit programs, which are reported in the Cottage Health Community Benefit Report In addition, Santa Barbara Cottage Hospital Foundation provides grants to various organizations to promote healthy living and support nurse-training programs in the Community |
| Schedule H, Part VI, Line 7 State filing of community benefit report | CA  |

**Additional Data****Software ID:** 18007697**Software Version:** 2018v3.1**EIN:** 95-1644629**Name:** Santa Barbara Cottage Hospital**Form 990 Schedule H, Part V Section A. Hospital Facilities**

| <b>Section A. Hospital Facilities</b>   |   | Licensed hospital | General medical & surgical | Children's hospital | Teaching hospital | Critical access hospital | Research facility | ER—24 hours | ER—other | Other (Describe)  | Facility reporting group |
|---|---|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|---|--------------------------|
| (list in order of size from largest to smallest—see instructions)<br>How many hospital facilities did the organization operate during the tax year?<br><b>1</b> |   |                   |                            |                     |                   |                          |                   |             |          |   |                          |
| Name, address, primary website address, and state license number  |   |                   |                            |                     |                   |                          |                   |             |          |   |                          |
| 1   | Santa Barbara Cottage Hospital<br>400 West Pueblo<br>Santa Barbara, CA 93105<br><a href="http://www.cottagehealth.org/locations/050000140">http://www.cottagehealth.org/locations/050000140</a> | X                 | X                          | X                   | X                 |                          |                   | X           |          | Santa Barbara Cottage Hospital and Cottage Rehab Hospital (operating under one license) |                          |

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

| Form and Line Reference                               | Explanation  |
|---|--|
| Schedule H, Part V, Section B, Line 5<br>Facility , 1 | <p>Facility , 1 - SANTA BARBARA COTTAGE HOSPITAL As part of this Community Health Needs Assessment, a telephone survey was done with approximately 2500 community members and a listening tour with more than 230 individuals via 20 focus groups conducted from June through August 2016 The focus group participants included public health officials, health providers , nonprofit workers, Cottage Health employees, government leaders and business owners In addition, existing health and demographic data already collected for the County and State of California was utilized as well as data collected from prior Community Health Needs Assessments Potential focus group participants were chosen because of their ability to identify primary concerns of the populations that they represent or with whom they work, as well as of the community overall Focus group candidates were first contacted by letter or email to request their participation Follow-up phone calls were then made to ascertain whether or not they would be able to attend Confirmation calls were placed or e-mails sent the day before the groups were scheduled to ensure a reasonable turnout Through this process, input was gathered from representatives of local government officials, public health, as well as several individuals whose organizations work with low-income, minority (including Latino/Mixteco, Native American, Asian, and African American), or other medically underserved populations (specifically, persons who are young adults, elderly, veterans, disabled , lesbian/gay/bisexual/transgender [LGBT], homeless, mentally ill, undocumented, uninsured /underinsured, or receive Medi-Cal/Medicare) Final participation included representatives of the following organizations the Santa Barbara County Education Office, Santa Barbara Unified School District, Goleta Union School District, Santa Barbara County Public Health Department, Santa Barbara County Emergency Medical Services Agency, Santa Barbara County Fire Department, Santa Barbara County and Metropolitan Transit District, Santa Ynez Valley Transit, the County Board of Supervisors, Santa Barbara Police Department, City of Solvang , Santa Barbara, Santa Ynez and Solvang Chambers of Commerce, CenCal Health, Community Action Commission, Foodbank of Santa Barbara County, Girls Inc , Alzheimer's Association, Art hritis Foundation, CALM, Domestic Violence Solutions, Juvenile Diabetes Research Foundation, Mental Wellness Center, New Beginnings Counseling Center, Visiting Nurse and Hospice Care, Carpinteria's Children's Project, Central Coast Collaborative on Homelessness, Family Service Agency, Habitat for Humanity, First 5 of Santa Barbara County, Immigrant Hope, Just Communities, Pacific Pride Foundation, People's Self-Help Housing, Safe Parking Program, Meals on Wheels, Santa Barbara Rape Crisis Center, United Way, Alisal Ranch, and numerous local clergy All required sources responded and participated Secondary data sources included data from US Census Bureau</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   |
|---|---|
| Schedule H, Part V, Section B, Line 5<br>Facility , 1 | au, US Department of Education, US Department of Agriculture, US Department of Health and Human Services, Center for Disease Control, Dartmouth College Institute for Health Policy Clinical Practice, State Cancer Profiles, and Nielsen SiteReports |

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

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

| Form and Line Reference                                | Explanation  |
|--|--|
| Schedule H, Part V, Section B, Line 6a<br>Facility , 1 | Facility , 1 - SANTA BARBARA COTTAGE HOSPITAL The CHNA was completed jointly by Santa Barbara Cottage Hospital, Goleta Valley Cottage Hospital, and Santa Ynez Valley Cottage Hospital |

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

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

| Form and Line Reference                               | Explanation  |
|---|--|
| Schedule H, Part V, Section B, Line 7<br>Facility , 1 | Facility , 1 - SANTA BARBARA COTTAGE HOSPITAL A press release was issued announcing the completion and availability of the CHNA This information was also shared and presented to the community on an as requested basis |

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

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

| Form and Line Reference                                | Explanation   |
|--|---|
| Schedule H, Part V, Section B, Line 11<br>Facility , 1 | Facility , 1 - SANTA BARBARA COTTAGE HOSPITAL As a member of Cottage Health (CH), the needs identified in the Hospital's CHNA are incorporated into the Community Benefit Program of CH Eight of the 13 leading health indicators identified in the 2016 CHNA fit into the five prioritized health areas (1) access to care, (2) behavioral health - including injury and violence, (3) chronic conditions, (4) food insecurity, and (5) housing insecurity The five indicators not prioritized and addressed are (1) general health status, (2) smoking cigarettes, (3) binge drinking, (4) physical inactivity, and (5) access to dental care These health indicators were not ranked as highly in terms of need, urgency, collaboration among community organizations, health disparities, and community resources available In addition, there are currently leading community partners/stakeholders who are addressing general health status, smoking cigarettes, binge drinking, physical inactivity, and access to dental care Though not selected as priority areas, some of the non-prioritized needs will be indirectly addressed through enhancing access to health care and by partnering with lead organizations addressing these areas The implementation strategy to address the priority needs includes Santa Barbara Cottage Hospital's grants, its hospital programs and health fairs In addition, Santa Barbara Cottage Hospital provides support to Health Professional Education through its medical education program and grants and supports health research with grants and collaboration with University of California |

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

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

| Form and Line Reference                                | Explanation  |
|--|--|
| Schedule H, Part V, Section B, Line 15<br>Facility , 1 | Facility , 1 - Santa Barbara Cottage Hospital The FAP also described the physical locations where patients can obtain a copy of the FAP Application, as well as the Cottage Health website address |

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

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

| Form and Line Reference                                | Explanation   |
|--|---|
| Schedule H, Part V, Section B, Line 20<br>Facility , 1 | Facility , 1 - Santa Barbara Cottage Hospital<br>Cottage Health did not initiate any new Extraordinary<br>Collection Efforts (ECAs) in 2018 |

**Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

**Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? \_\_\_\_\_

| Name and address   | Type of Facility (describe)  |
|--|--|
| <b>1</b> Pacific Diagnostic Laboratories<br>454 South Patterson<br>Goleta, CA 93117                  | Outpatient Lab Services  |
| <b>1</b> Children's Outpatient Clinic<br>5333 Hollister Avenue<br>Santa Barbara, CA 93111            | Outpatient pediatric clinic for hematology, oncology, endocrinology and gastrointestinal |
| <b>2</b> Cottage Rehabilitation Hospital<br>2415 De La Vina<br>Santa Barbara, CA 93105               | Rehabilitation hospital and outpatient therapy services                                  |
| <b>3</b> Cottage Outpatient Surgery<br>2403 Castillo<br>Santa Barbara, CA 93105                      | Outpatient Surgery Center  |
| <b>4</b> Cottage Eye Center<br>2400 Bath Street<br>Santa Barbara, CA 93105                           | Eye center   |
| <b>5</b> Advanced Imaging Center<br>2410 Fletcher Street<br>Santa Barbara, CA 93105                  | Outpatient radiology center  |
| <b>6</b> Cottage Residential Center<br>312 West Montecito Street<br>Santa Barbara, CA 93101          | Substance abuse rehabilitation center  |
| <b>7</b> Cardio Vascular Clinic<br>2415 Bath Street<br>Santa Barbara, CA 93105                       | Outpatient Clinic  |
| <b>8</b> Outpatient Rehabilitation<br>1035 Peach Street<br>San Luis Obispo, CA 93401                 | Outpatient Clinic  |
| <b>9</b> SB Cope<br>2325 De La Vina Street<br>Santa Barbara, CA 93105                                | Substance abuse and detox treatment  |
| <b>10</b> Cystic FibrosisPulmonary Hypertension Clinic<br>2409 De La Vina<br>Santa Barbara, CA 93105 | Outpatient Clinic  |

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

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](http://www.irs.gov/Form990) for the latest information.

Name of the organization  
Santa Barbara Cottage Hospital

Employer identification number

95-1644629

**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 ▶ 18

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) LIFELINE - providing emergency support | 72                       | 17,270                   |                                  |   |                                       |
| (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   |
|--|---|
| Schedule I, Part III, Column (b)<br>Estimated Number Of Recipients         | LIFELINE - providing emergency support The people assisted with Lifeline support are elderly with health issues who cannot afford to pay for the program Santa Barbara Cottage Hospital paid Lifeline for these individuals We supported 72 individuals in 2018 |
| Schedule I, Part I, Line 2<br>Procedures for monitoring use of grant funds | Grant funds are monitored through the Community Health Coordinating Committee of Cottage Health Grantees are required to submit a report in June of each year that is reviewed by the committee prior to entire amount of funds being disbursed                 |

## Additional Data

**Software ID:** 18007697  
**Software Version:** 2018v3.1  
**EIN:** 95-1644629  
**Name:** Santa Barbara Cottage Hospital

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

| <b>(a)</b> Name and address of organization or government                | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance                      |
|--|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| SB NEIGHBORHOOD CLINICS<br>1900 State St Suite G<br>SB, CA 93101         | 77-0496382     | 501(c)(3)                            | 1,025,000                       |  |  |   | Support of neighborhood health clinics for low income patients |
| Santa Barbara City College<br>721 Cliff Drive<br>Santa Barbara, CA 93109 | 77-0070782     | government                           | 415,125                         |  |  |   | Support of Nursing Program at Santa Barbara City College       |

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

| <b>(a)</b> Name and address of organization or government                 | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance                              |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| CSUCI FOUNDATION<br>One University Drive<br>Camarillo, CA 93012           | 77-0433230     | 501(c)(3)                            | 292,000                         |  |  |   | Support of the Bachelor's in Science, Nursing program in Santa Barbara |
| PATH PEOPLE ASSISTING THE HOME<br>PO Box 24116<br>Santa Barbara, CA 93121 | 95-3950196     | 501(c)(3)                            | 165,488                         |  |  |   | Medical respite beds for the homeless population                       |

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

| <b>(a)</b> Name and address of organization or government       | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance               |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|---|
| FAMILY SERV AGENCYCRIS<br>123 W Gutierrez St<br>SB, CA 93101    | 95-1644031     | 501(c)(3)                            | 100,613                         |  |  |   | Support of the Senior Services Program                  |
| SB COUNTY EDUC OFFICE<br>4400 Cathedral Oaks Rd<br>SB, CA 93160 | 95-6000940     | government                           | 81,450                          |  |  |   | Child and family Resources Behavioral health initiative |

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

| <b>(a)</b> Name and address of organization or government                     | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance  |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| SB ACT - Alliance for Comm Transform<br>PO Box 217<br>Santa Barbara, CA 93102 | 45-2832064     | 501(c)(3)                            | 74,575                          |  |  |   | Provide mental health services to low income school age children   |
| SARAH HOUSE<br>PO Box 20031<br>Santa Barbara, CA 93120                        | 77-0224415     | 501(c)(3)                            | 37,400                          |  |  |   | Support of end of life care for low income patients that transfer from the Hospital Palliative Care facility |

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

| <b>(a)</b> Name and address of organization or government  | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance  |
|--|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| PACIFIC PRIDE FNDTN<br>126 E Haley St A11<br>SB, CA 93102  | 95-3133613     | 501(c)(3)                            | 33,387                          |  |  |   | Provide counseling to the LGBTQ+ population  |
| OCPRHIO INC<br>601 Park Cntr Dr 104<br>Santa Ana, CA 92705 | 46-1145952     | 501(c)(3)                            | 29,715                          |  |  |   | Assistance for the non-profit SB Neighborhood Clinic and a rural clinic to become part of HIE initiative |

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

| <b>(a)</b> Name and address of organization or government                  | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance  |
|--|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| WILLBRIDGE OF SANTA BARBARA<br>1215 E Montecito St<br>SB, CA 93130         | 57-1194195     | 501(c)(3)                            | 21,300                          |  |  |   | Support for the transitional housing beds for homeless patients who are not appropriate for discharge to the streets or shelters and who need supervised convalescence |
| MENTAL HEALTH ASSOC IN SB Cnty<br>617 GARDEN ST<br>Santa Barbara, CA 93101 | 95-1962659     | 501(c)(3)                            | 20,313                          |  |  |   | Counseling, mentoring and education for low income, at risk population   |

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

| <b>(a)</b> Name and address of organization or government          | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance                          |
|--|----------------|--------------------------------------|---------------------------------|--|--|---|--|
| DOCTORS WITHOUT WALLS-SB<br>PO Box 3751<br>Santa Barbara, CA 93103 | 33-1210731     | 501(c)(3)                            | 19,788                          |  |  |   | Support of health needs for the poor and homeless of Santa Barbara |
| SANSUM CLINIC<br>PO Box 1200<br>Santa Barbara, CA 93102            | 95-6419205     | 501(c)(3)                            | 15,000                          |  |  |   | Medical education  |



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

| <b>(a)</b> Name and address of organization or government                                 | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance                             |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|---|
| VISITING NURSE & HOSPICE CARE<br>222 East Canon Perdido Street<br>Santa Barbara, CA 93101 | 95-1641969     | 501(c)(3)                            | 15,000                          |  |  |   | Supports the Alliance for Living and Dying Well                       |
| CENTER FOR SUCCESSFUL AGING<br>228 E Anapamu Street 208<br>Santa Barbara, CA 93101        | 80-0422344     | 501(c)(3)                            | 13,750                          |  |  |   | Assists senior citizens as risk with medical and mental health issues |

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

| <b>(a)</b> Name and address of organization or government                 | <b>(b)</b> EIN | <b>(c)</b> IRC section if applicable | <b>(d)</b> Amount of cash grant | <b>(e)</b> Amount of non-cash assistance | <b>(f)</b> Method of valuation (book, FMV, appraisal, other) | <b>(g)</b> Description of non-cash assistance | <b>(h)</b> Purpose of grant or assistance   |
|---|----------------|--------------------------------------|---------------------------------|--|--|---|---|
| THRESHOLDS TO RECOVERY INC<br>1038 Pittsfield Lane<br>Ventura, CA 93001   | 77-0335136     | 501(c)(3)                            | 6,930                           |  |  |   | Funding provides help to individuals who have been intoxicated in the public. The program offers an alternative to incarceration. Program follow-up includes referral for treatment of alcoholism as an effort in recovery. |
| VISION Y COMPROMISO<br>1000 NORTH ALAMEDA STREET<br>LOS ANGELES, CA 90012 | 32-0071651     | 501(c)(3)                            | 5,000                           |  |  |   | Assists low-income ethnic groups with health education and health referrals.  |

**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](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No 1545-0047

# 2018

**Open to Public Inspection**

Name of the organization  
Santa Barbara Cottage Hospital

Employer identification number  
95-1644629

**Part I Questions Regarding Compensation**

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

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title  |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|   |      | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| 1 Ronald Werft<br>President & CEO                         | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 1,049,563  | 331,698                             | 74,769                              | 13,750   | 25,130                  | 1,494,910                       | 0   |
| 2 Steven Fellows<br>COO                                   | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 572,184  | 173,775                             | 45,820                              | 13,750   | 27,803                  | 833,332                         | 0   |
| 3 Brett Tande<br>Senior VP and CFO                        | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   | (ii) | 541,355  | 140,737                             | 145,252                             | 13,750   | 27,803                  | 868,897                         | 0   |
| 4 DAVID NICHOLS<br>VP BUSINESS DEVEL-LAB                  | (i)  | 121,965  | 596,635                             | 0                                   | 13,750   | 456                     | 732,806                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 5 RICHARD BESWICK<br>VP RESEARCH & Chief Research Officer | (i)  | 380,151  | 68,511                              | 33,484                              | 51,228   | 20,324                  | 553,698                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 6 JEFFREY GAUVIN MD<br>DIR OF SURGERY RESIDENCE           | (i)  | 534,928  | 145                                 | 14,772                              | 13,750   | 20,324                  | 583,919                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 7 KEITH DEAVILLE<br>DIR SALES & MARKETING-LAB             | (i)  | 154,216  | 181,776                             | 4,607                               | 13,750   | 29,271                  | 383,620                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
| 8 STEPHEN KAMINSKI MD<br>DIR TRAMA SVCS & SICU            | (i)  | 434,858  | 145                                 | 17,628                              | 13,750   | 27,803                  | 494,184                         | 0   |
|   | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |
|   |      |  |                                     |                                     |  |                         |                                 |   |

**Part III Supplemental Information**

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

| Return Reference    | Explanation  |
|---------------------|--|
| Schedule J, Part II | Beginning in 2014, THE ORGANIZATION ENTERED INTO A SPLIT-DOLLAR TERM LOAN ARRANGEMENT WITH THREE EXECUTIVES IN EXCHANGE FOR THEIR AGREEMENT TO FOREGO BENEFITS UNDER A SECTION 457(F) DEFERRED COMPENSATION PLAN. THE ORGANIZATION MAKES LOANS TO THE EXECUTIVES THAT ARE USED TOWARDS PREMIUMS ON LIFE INSURANCE POLICIES. INTEREST ON THE LOANS ACCRUES AT A RATE OF INTEREST IN EXCESS OF THE APPLICABLE FEDERAL RATE. UPON RETIREMENT, THE EXECUTIVES WILL BE PERMITTED TO BORROW ANNUALLY FROM THE ACCUMULATED CASH VALUE TO RECEIVE A TARGET BENEFIT AS LONG AS THE POLICIES' RETAIN ENOUGH CASH VALUE TO REPAY THE ORGANIZATION'S LOANS AND ACCRUED INTEREST FROM THE DEATH BENEFITS. THE LOANS ARE SECURED WITH THE POLICIES' CASH VALUE AND DEATH BENEFITS AND THE ORGANIZATION SHARES IN ANY EXCESS DEATH BENEFITS UNDER THE POLICIES. |

| <b>Return Reference</b>   | <b>Explanation</b>   |
|---|--|
| Schedule J, Part I, Line 3 Arrangement used to establish the top management official's compensation | On an annual basis the Executive Compensation Committee (ECC) of the Board of Directors meets to determine appropriate compensation for executives, including the CEO, COO, CFO, and vice presidents. All members of the ECC are independent members of the Board of Directors. The ECC engages an independent consultant to prepare comparative compensation reports for each position. The executives individual performance will also be considered when determining compensation. The ECC recommends compensation for the executives to the full Board for approval. This process takes place annually for all executives. |

| <b>Return Reference</b>  | <b>Explanation</b>  |
|--|---|
| Schedule J, Part I, Line 4b<br>Supplemental nonqualified retirement plan | COTTAGE HEALTH PROVIDES CERTAIN EXECUTIVES A SUPPLEMENTAL RETIREMENT PROGRAM THE PROGRAM IS DEFINED AS DEFERRED COMPENSATION UNDER THE IRC SECTION 457(F) THE ANNUAL CONTRIBUTION IS 6 95% OF BASE YEARS SALARY WITH THE CONTRIBUTIONS VESTING FIVE YEARS FROM CREDITING DATE, OR AT AGE 62, OR IMMEDIATELY IN THE EVENT OF DEATH, DISABILITY, OR INVOLUNTARY TERMINATION WITHOUT CAUSE THE UNVESTED ACCOUNT BALANCES ARE ASSETS OF THE ORGANIZATION AND ARE INCLUDED IN OTHER ASSETS AND THE ACCRUED EXPENSE IS INCLUDED IN PENSION LIABILITY AND OTHER IN THE ACCOMPANYING CONSOLIDATED BALANCE SHEETS THE AMOUNTS REPORTED IN THE CURRENT YEAR'S DEFERRED COMPENSATION INCLUDES RECOGNITION OF PAST SERVICE THE AMOUNTS ARE SUBJECT TO A SUBSTANTIAL RISK OF FORFEITURE ANY DEFERRED CONTRIBUTIONS TO THIS PLAN WILL BE REPORTED AGAIN AS REPORTABLE COMPENSATION IN THE YEAR PAID In 2018, no employee received a 457(f) payout |

| <b>Return Reference</b>                       | <b>Explanation</b>  |
|---|---|
| Schedule J, Part I, Line 7 Non-fixed payments | Each year the Board of Directors determines if a bonus can be paid based on the financial operating results of the completed year. The Board determines the total amount of the bonus pool. This pool of money is distributed to employees in the management team based on the individual's achievement of personal goals and the overall team's accomplishment of system-wide goals pertaining to quality, service excellence, employee engagement, financial or other. The payout for individuals is calculated based on percentages of their base salary and their position. |





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](http://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  
Santa Barbara Cottage Hospital

Employer identification number

95-1644629

**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 |
| <b>A</b> California Statewide Communities Development Authority | 68-0164610     | 130795Y76   | 10-20-2010      | 300,168,359     | Refund 2008 issue                                    |              | X  |                         | X  |                    | X  |
| <b>B</b> California Statewide Communities Development Authority | 68-0164610     | 13080SF09   | 01-28-2015      | 148,825,934     | Refund Series 2003B and Hospital Replacement Project |              | X  |                         | X  |                    | X  |

**Part II Proceeds**

|           |  | A           |    | B           |    | C   |    | D   |    |
|-----------|--|-------------|----|-------------|----|-----|----|-----|----|
| <b>1</b>  | Amount of bonds retired . . . . .  | 37,300,000  |    | 7,735,000   |    |     |    |     |    |
| <b>2</b>  | Amount of bonds legally defeased . . . . .   |             |    |             |    |     |    |     |    |
| <b>3</b>  | Total proceeds of issue . . . . .  | 300,168,359 |    | 148,799,332 |    |     |    |     |    |
| <b>4</b>  | Gross proceeds in reserve funds . . . . .  |             |    |             |    |     |    |     |    |
| <b>5</b>  | Capitalized interest from proceeds . . . . .   |             |    |             |    |     |    |     |    |
| <b>6</b>  | Proceeds in refunding escrows . . . . .  |             |    |             |    |     |    |     |    |
| <b>7</b>  | Issuance costs from proceeds . . . . .   | 2,937,359   |    | 1,638,263   |    |     |    |     |    |
| <b>8</b>  | Credit enhancement from proceeds . . . . .   |             |    |             |    |     |    |     |    |
| <b>9</b>  | Working capital expenditures from proceeds . . . . .   |             |    |             |    |     |    |     |    |
| <b>10</b> | Capital expenditures from proceeds . . . . .   |             |    | 100,004,315 |    |     |    |     |    |
| <b>11</b> | Other spent proceeds . . . . .   | 297,231,000 |    | 47,156,754  |    |     |    |     |    |
| <b>12</b> | Other unspent proceeds . . . . .   |             |    | 0           |    |     |    |     |    |
| <b>13</b> | Year of substantial completion . . . . .   | 2012        |    | 2018        |    |     |    |     |    |
|           |  | Yes         | No | Yes         | No | Yes | No | Yes | No |
| <b>14</b> | Were the bonds issued as part of a current refunding issue? . . . . .  | X           |    | X           |    |     |    |     |    |
| <b>15</b> | Were the bonds issued as part of an advance refunding issue? . . . . .   |             | X  |             | X  |     |    |     |    |
| <b>16</b> | Has the final allocation of proceeds been made? . . . . .  | X           |    | X           |    |     |    |     |    |
| <b>17</b> | 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 |
| <b>1</b> | Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . . |     | X  |     | X  |     |    |     |    |
| <b>2</b> | 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 |
| <b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? . . . . .  |     | X  | X   |    |     |    |     |    |
| <b>b</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   |    |     |    |     |    |
| <b>c</b> Are there any research agreements that may result in private business use of bond-financed property? . . . . .   |     | X  |     | X  |     |    |     |    |
| <b>d</b> 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?   |     |    |     |    |     |    |     |    |
| <b>4</b> 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 % |    | 0 % |    |     |    |     |    |
| <b>5</b> 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 % |    | 0 % |    |     |    |     |    |
| <b>6</b> Total of lines 4 and 5 . . . . .   | 0 % |    | 0 % |    |     |    |     |    |
| <b>7</b> Does the bond issue meet the private security or payment test? . . . . .   |     | X  |     | X  |     |    |     |    |
| <b>8a</b> 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>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of . . . . .  |     |    |     |    |     |    |     |    |
| <b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? . . . . .  |     |    |     |    |     |    |     |    |
| <b>9</b> 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 |
| <b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? . . . . . |     | X  |     | X  |     |    |     |    |
| <b>2</b> If "No" to line 1, did the following apply? . . . . .  |     |    |     |    |     |    |     |    |
| <b>a</b> Rebate not due yet? . . . . .  |     | X  | X   |    |     |    |     |    |
| <b>b</b> Exception to rebate? . . . . .   | X   |    |     | X  |     |    |     |    |
| <b>c</b> No rebate due? . . . . .   |     | X  |     | X  |     |    |     |    |
| If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed . . . . .                                 |     |    |     |    |     |    |     |    |
| <b>3</b> Is the bond issue a variable rate issue? . . . . .   |     | X  |     | X  |     |    |     |    |
| <b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?        |     | X  |     | X  |     |    |     |    |
| <b>b</b> Name of provider . . . . .   |     |    |     |    |     |    |     |    |
| <b>c</b> Term of hedge . . . . .  |     |    |     |    |     |    |     |    |
| <b>d</b> Was the hedge superintegrated? . . . . .   |     |    |     |    |     |    |     |    |
| <b>e</b> Was the hedge terminated? . . . . .  |     |    |     |    |     |    |     |    |

**Part IV Arbitrage** (Continued)

|  | A   |    | B   |    | C   |    | D   |    |
|--|-----|----|-----|----|-----|----|-----|----|
|  | Yes | No | Yes | No | Yes | No | Yes | No |
| <b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)?                                  |     | X  |     | X  |     |    |     |    |
| <b>b</b> Name of provider . . . . .  |     |    |     |    |     |    |     |    |
| <b>c</b> Term of GIC . . . . .   |     |    |     |    |     |    |     |    |
| <b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? . . . . .     |     |    |     |    |     |    |     |    |
| <b>6</b> Were any gross proceeds invested beyond an available temporary period?                                    |     | X  |     | X  |     |    |     |    |
| <b>7</b> 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  |
|------------------------------|--|
| Schedule K, Part III, Line 4 | Private business use percentage is 0% because no part of the tax-exempt bond financed property is private business use. A substantial amount of project funding did not come from the issuance of debt. Total project cost is \$823 million, of which \$410 million was raised from tax-exempt bond financing. |

## Additional Data

**Software ID:** 18007697

**Software Version:** 2018v3.1

**EIN:** 95-1644629

**Name:** Santa Barbara Cottage Hospital

| Return Reference             | Explanation  |
|------------------------------|--|
| Schedule K, Part III, Line 4 | Private business use percentage is 0% because no part of the tax-exempt bond financed property is private business use. A substantial amount of project funding did not come from the issuance of debt. Total project cost is \$823 million, of which \$410 million was raised from tax-exempt bond financing. |

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

Department of the Treasury  
Internal Revenue Service

**Transactions with Interested Persons**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No 1545-0047

**2018**

**Open to Public Inspection**

Name of the organization  
Santa Barbara Cottage Hospital

**Employer identification number**  
95-1644629

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

| 1 | (a) Name of disqualified person | (b) Relationship between disqualified person and organization | (c) Description of transaction | (d) Corrected? |    |
|---|---------------------------------|---|--------------------------------|----------------|----|
|   |                                 |   |                                | Yes            | No |
|   |                                 |   |                                |                |    |
|   |                                 |   |                                |                |    |
|   |                                 |   |                                |                |    |
|   |                                 |   |                                |                |    |
|   |                                 |   |                                |                |    |

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**  
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan   | (d) Loan to or from the organization? |      | (e) Original principal amount | (f) Balance due | (g) In default? |    | (h) Approved by board or committee? |    | (i) Written agreement? |    |
|-------------------------------|------------------------------------|-----------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|----|------------------------|----|
|                               |                                    |                       | To                                    | From |                               |                 | Yes             | No | Yes                                 | No | Yes                    | No |
| (1) Joan Bricher              | CFO through 1/2016                 | Deferred Compensation |                                       | X    | 5,627,962                     | 5,249,599       |                 | No | Yes                                 |    | Yes                    |    |
| (2) Ronald Werft              | CEO                                | Deferred Compensation |                                       | X    | 14,589,759                    | 14,149,398      |                 | No | Yes                                 |    | Yes                    |    |
| (3) Steven Fellows            | COO                                | Deferred Compensation |                                       | X    | 3,308,400                     | 3,033,482       |                 | No | Yes                                 |    | Yes                    |    |
| (4) Brett Tande               | CFO                                | Housing               |                                       | X    | 300,000                       | 300,000         |                 | No | Yes                                 |    | Yes                    |    |
| (5) Richard Beswick           | VP Research                        | Housing               |                                       | X    | 300,000                       | 300,000         |                 | No | Yes                                 |    | Yes                    |    |
| <b>Total</b>                  |                                    |                       |                                       |      |                               | ▶ \$            | 23,032,479      |    |                                     |    |                        |    |

**Part III Grants or Assistance Benefiting Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of assistance | (d) Type of assistance | (e) Purpose of assistance |
|-------------------------------|---|--------------------------|------------------------|---------------------------|
|                               |   |                          |                        |                           |
|                               |   |                          |                        |                           |
|                               |   |                          |                        |                           |
|                               |   |                          |                        |                           |

**Part IV Business Transactions Involving Interested Persons.**

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

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction | (e) Sharing of organization's revenues? |    |
|-------------------------------|---|---------------------------|--------------------------------|---|----|
|                               |   |                           |                                | Yes                                     | No |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |
|                               |   |                           |                                |   |    |

**Part V Supplemental Information**

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

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

**SCHEDULE O**  
(Form 990 or 990-EZ)**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](http://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

Santa Barbara Cottage Hospital

Employer identification number

95-1644629

**990 Schedule O, Supplemental Information**

| Return Reference   | Explanation                                 |
|--|---|
| Form 990, Part VI, Line 6 Classes of members or stockholders | Cottage Health is the sole corporate member |



**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>   | <b>Explanation</b>   |
|---|--|
| Form 990,<br>Part VI, Line<br>7a Members<br>or<br>stockholders<br>electing<br>members of<br>governing<br>body | Cottage Health is the sole corporate member and can appoint Directors to the Board |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>  | <b>Explanation</b>  |
|--|---|
| Form 990, Part VI, Line 7b Decisions requiring approval by members or stockholders | The Board of Directors must obtain prior approval from the Board of Directors of Cottage Health, in order to a) amend or restate the Articles of Incorporation or Bylaws, b) implement the annual budget and long-term capital and operational budget, c) sell, lease, mortgage, pledge, merge, consolidate or make any other disposition of any material part of the property and assets of this corporation, or d) voluntarily dissolve the corporation |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>  | <b>Explanation</b>   |
|--|--|
| Form 990, Part VI, Line 11b Review of form 990 by governing body | Form 990 is prepared under the direction of the Senior Vice President and CFO. Form 990 is compiled and reviewed by the Senior Vice President & CFO, the Vice President Finance & Controller, the Director Corporate Finance, and the Accounting Manager. Form 990 is reviewed separately by Ernst & Young as an independent tax consultant to Cottage during the development of the response. Each party reviews Form 990 prior to submission to the Compliance & Audit Committee and to the Board of Directors, whose reviews are conducted prior to filing. A complete copy of the final Form 990 is provided to all members of the governing board before it is filed. |

## 990 Schedule O, Supplemental Information

| Return Reference  | Explanation   |
|---|---|
| Form 990, Part VI, Line 12c Conflict of interest policy | <p>The purpose of the Conflict of Interest policy is to protect the interest of the Health System when it contemplates entering into a transaction or arrangement that could benefit the private interest of a Director or Officer of Cottage Health, Santa Barbara Cottage Hospital, Goleta Valley Cottage Hospital, Santa Ynez Valley Cottage Hospital, Santa Barbara Cottage Hospital Foundation and Goleta Valley Professional Buildings, Inc, collectively known as Cottage Health. The Directors have a duty to 1) discharge their duties to benefit Cottage Health and not the Directors personally 2) disclose situations with the potential for conflict of interest with the vision and mission of Cottage Health 3) refrain from discussing confidential Cottage Health business with others. Each Board member will annually complete the Cottage Health Directors Annual Conflict Disclosure Form. The Disclosure information will be reviewed annually by the Board Chair and the results reported to the full Board. Each Director or Officer will disclose to the Board Chair items to be discussed at a Board meeting. If there are any material financial or personal interests a Board member or family member may have in a Board decision, the Director or Officer will disclose this to the Committee Chair before the Board reviews the items and takes action. In general, an Officer who has disclosed a potential conflict should be excused from the decision making portion of the discussion and is prohibited from voting on a matter involving a potential conflict of interest. If the Board has reasonable cause to believe that a Director or Officer failed to disclose a material financial interest or other potential material conflict of interest, the Board Chair shall inform the member of the basis for the belief and afford the member an opportunity to explain the alleged failure to disclose. After hearing the Director or Officer response and conducting any further necessary investigation, the Board determines if the Director or Officer failed to disclose a material financial or other potential material conflict of interest. The Board Chair shall take appropriate corrective action. Committee Chairs who address conflict of interest situations with a Board Committee member are responsible for reporting such situations to the Board Chair. Key employees are treated as other employees of Cottage Health and sign an annual conflict of interest form. These forms are reviewed by Compliance and any issues are brought to the Chief Compliance Officer.</p> |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>  | <b>Explanation</b>   |
|--|--|
| Form 990, Part VI, Line 15a Process to establish compensation of top management official | <p>On an annual basis the Executive Compensation Committee (ECC) of the Board of Directors meets to determine appropriate compensation for executives, including the CEO, COO, CFO, and vice presidents. All members of the ECC are independent members of the Board of Directors.</p> <p>The ECC engages an independent consultant to prepare comparative compensation reports for each position. The executive's individual performance will also be considered when determining compensation. The ECC recommends compensation for the executives to the full Board for approval. This process takes place annually for all employed officers and key employees. In addition, salary for all disqualified persons are reviewed annually by their managers.</p> |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>  | <b>Explanation</b>   |
|--|--|
| Form 990, Part VI, Line 15b Process to establish compensation of other employees | The process described in line 15a, above, takes place annually for all employed officers and key employees. For this fiscal year, the review occurred on March 30, 2018. |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>   | <b>Explanation</b>   |
|---|--|
| Form 990, Part VI, Line 19 Required documents available to the public | Tax filings can be obtained upon request from the CFO. Audited Financial Statements are attached to the Form 990 in accordance with IRS instructions. The bylaws, articles of incorporation and conflict of interest policies are not available to the public. |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>                                   | <b>Explanation</b>  |
|---|---|
| Form 990, Part VIII, Line 11d Other Miscellaneous Revenue | UBI tax refund - Total Revenue 524714, Related or Exempt Function Revenue , Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 524714, Ancillary department program fees - Total Revenue 767513, Related or Exempt Function Revenue 767513, Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 , Other revenues - Total Revenue 2022259, Related or Exempt Function Revenue 2015828, Unrelated Business Revenue 6431, Revenue Excluded from Tax Under Sections 512, 513, or 514 , |



**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>                | <b>Explanation</b>  |
|--|---|
| Form 990, Part IX, Line 11g Other Fees | Laboratory Outside Tests - Total Expense 3594284, Program Service Expense 3594284, Management and General Expenses , Fundraising Expenses , CONTRACT LABOR - Total Expense 3065959, Program Service Expense 2623096, Management and General Expenses 442863, Fundraising Expenses , CONTRACTED NURSING SERVICES - Total Expense 5960987, Program Service Expense 5916369, Management and General Expenses 44618, Fundraising Expenses , MEDICAL PROFESSIONAL FEES - Total Expense 38918681, Program Service Expense 32825707, Management and General Expenses 6092974, Fundraising Expenses , OTHER PURCHASED SERVICES - Total Expense 63807656, Program Service Expense 39033942, Management and General Expenses 24773714, Fundraising Expenses , |

**990 Schedule O, Supplemental Information**

| <b>Return Reference</b>  | <b>Explanation</b>   |
|--|--|
| Form 990, Part XI, Line 9 Other changes in net assets or fund balances | CHANGE IN PENSION LIABILITY - 44069, Change in fair value interest rate swaps - -2211000, Hospital Quality Assurance Fee adjustment for prior years due to adoption of ASC 606 - 42578820, |

**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](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Santa Barbara Cottage Hospital

**Employer identification number**

95-1644629

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

| (a)<br>Name, address, and EIN (if applicable) of disregarded entity                                   | (b)<br>Primary activity        | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|---|--------------------------------|--|---------------------|---------------------------|----------------------------------|
| <b>(1)</b> PACIFIC DIAGNOSTIC LABORATORIES LLC<br>PO BOX 689<br>SANTA BARBARA, CA 93102<br>20-5038438 | OUTPATIENT LABORATORY SERVICES | CA   | 41,960,481          | 22,056,322                | SANTA BARBARA COTTAGE HOSPITAL   |
|   |                                |  |                     |                           |                                  |
|   |                                |  |                     |                           |                                  |
|   |                                |  |                     |                           |                                  |
|   |                                |  |                     |                           |                                  |

**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)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity                                 | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled entity? |    |
|---|---|--|----------------------------|---|----------------------------------|--|----|
|   |   |  |                            |   |                                  | Yes  | No |
| <b>(1)</b> COTTAGE HEALTH<br>PO BOX 689<br><br>SANTA BARBARA, CA 931020689<br>77-0431902                            | PARENT ORGANIZATION FOR 3 HOSPITALS & MEDICAL PROF BLDG | CA   | 501(c)(3)                  | Type II   | NA                               |  | No |
| <b>(2)</b> GOLETA VALLEY COTTAGE HOSPITAL<br>PO BOX 689<br><br>SANTA BARBARA, CA 931020689<br>95-2413596            | HOSPITAL  | CA   | 501(c)(3)                  | 3   | COTTAGE HEALTH                   | Yes  |    |
| <b>(3)</b> SANTA BARBARA COTTAGE HOSPITAL INC<br>PO BOX 689<br><br>SANTA BARBARA, CA 931020689<br>95-2224265        | HOSPITAL  | CA   | 501(c)(3)                  | 3   | COTTAGE HEALTH                   | Yes  |    |
| <b>(4)</b> SANTA BARBARA COTTAGE HOSPITAL FOUNDATION<br>PO BOX 689<br><br>SANTA BARBARA, CA 931020689<br>95-3802238 | FOUNDATION TO SUPPORT SANTA BARBARA COTTAGE             | CA   | 501(c)(3)                  | 7   | NA                               |  | No |
| <b>(5)</b> GOLETA VALLEY PROFESSIONAL BUILDINGS INC<br>PO BOX 689<br><br>SANTA BARBARA, CA 931020689<br>77-0004202  | MEDICAL PROF BLDG                                       | CA   | 501(c)(3)                  | Type II   | COTTAGE HEALTH                   | Yes  |    |
|   |   |  |                            |   |                                  |  |    |

**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)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary<br>activity | (c)<br>Legal<br>domicile<br>(state<br>or<br>foreign<br>country) | (d)<br>Direct<br>controlling<br>entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections 512-<br>514) | (f)<br>Share of<br>total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount in box<br>20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|--|----------------------------|---|--|--|---------------------------------|--|---|----|--|---|----|--------------------------------|
|  |                            |   |  |  |                                 |  | Yes                                     | No |  | Yes                                       | No |                                |
|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |
|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |
|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |
|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |
|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |
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|  |                            |   |  |  |                                 |  |   |    |  |   |    |                                |

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

| (a)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total<br>income | (g)<br>Share of end-of-<br>year<br>assets | (h)<br>Percentage<br>ownership | (i)<br>Section 512(b)<br>(13) controlled<br>entity? |    |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|---|--------------------------------|---|----|
|  |                         |   |                                     |  |                                 |   |                                | Yes   | No |
|  |                         |   |                                     |  |                                 |   |                                |   |    |
|  |                         |   |                                     |  |                                 |   |                                |   |    |
|  |                         |   |                                     |  |                                 |   |                                |   |    |
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|  |                         |   |                                     |  |                                 |   |                                |   |    |
|  |                         |   |                                     |  |                                 |   |                                |   |    |

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

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

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

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

See Additional Data Table

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

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

| (a)<br>Name, address, and EIN of entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Predominant income (related, unrelated, excluded from tax under sections 512-514) | (e)<br>Are all partners section 501(c)(3) organizations? |    | (f)<br>Share of total income | (g)<br>Share of end-of-year assets | (h)<br>Disproportionate allocations? |    | (i)<br>Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j)<br>General or managing partner? |    | (k)<br>Percentage ownership |
|---|-------------------------|--|--|--|----|------------------------------|------------------------------------|--------------------------------------|----|--|-------------------------------------|----|-----------------------------|
|   |                         |  |  | Yes  | No |                              |                                    | Yes                                  | No |  | Yes                                 | No |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |
|   |                         |  |  |  |    |                              |                                    |                                      |    |  |                                     |    |                             |

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

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

| <b>Return Reference</b> | <b>Explanation</b> |
|-------------------------|--------------------|
|                         |                    |

## Additional Data

**Software ID:** 18007697  
**Software Version:** 2018v3.1  
**EIN:** 95-1644629  
**Name:** Santa Barbara Cottage Hospital

### Form 990, Schedule R, Part V - Transactions With Related Organizations

|            | <b>(a)</b><br>Name of related organization | <b>(b)</b><br>Transaction type(a-s) | <b>(c)</b><br>Amount Involved | <b>(d)</b><br>Method of determining amount involved |
|------------|--|-------------------------------------|-------------------------------|---|
| <b>(1)</b> | Goleta Valley Cottage Hospital             | E                                   | 4,082,754                     | accrual   |
| <b>(1)</b> | Goleta Valley Cottage Hospital             | L                                   | 2,514,030                     | accrual   |
| <b>(2)</b> | Goleta Valley Cottage Hospital             | O                                   | 1,556,391                     | accrual   |
| <b>(3)</b> | Goleta Valley Cottage Hospital             | P                                   | 348,425                       | accrual   |
| <b>(4)</b> | Goleta Valley Professional Buildings Inc   | K                                   | 1,851,777                     | accrual   |
| <b>(5)</b> | Santa Ynez Valley Cottage Hospital         | L                                   | 1,117,413                     | accrual   |
| <b>(6)</b> | Santa Ynez Valley Cottage Hospital         | O                                   | 755,829                       | accrual   |