THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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S.C. SUPREME COURT

APPEAL FROM SUMTER COUNTY
Court of Common Pleas

R. Ferrell Cothran, Jr., Circuit Court Judge

Case No. 2012-CP-43-2030

Appellate Case No.: 2016-000774

Win Myat.....Appellant,

v.

Tuomey Healthcare System.....Respondent.

RECORD ON APPEAL
VOLUME II

RECEIVED
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SC Court of Appeals

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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 to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		3,450.
j Total. Add lines 1c through 1i			3,450.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE SOUTH CAROLINA HOSPITAL ASSOCIATION (SCHA). THESE ORGANIZATIONS ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERSHIP BODIES, AND EACH YEAR A PORTION OF THE DUES PAID ARE ALLOCATED TO LOBBYING EXPENDITURES.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to 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 Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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 XIV, 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" to 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 XIV, 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) Revenues included in 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 Revenues included in 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 XIV.

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" to 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 XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	5,523,695.	5,647,997.	5,341,581.	5,157,328.	
b Contributions					
c Net investment earnings, gains, and losses	675,353.	-49,302.	381,416.	259,253.	
d Grants or scholarships					
e Other expenditures for facilities and programs	75,000.	75,000.	75,000.	75,000.	
f Administrative expenses					
g End of year balance	6,124,048.	5,523,695.	5,647,997.	5,341,581.	

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

a Board designated or quasi-endowment ▶ 17.68 %
b Permanent endowment ▶ 82.32 %
c Temporarily restricted endowment ▶ _____ %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations (3a(i))		X
(ii) related organizations (3a(ii))		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? (3b)		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,419,642.		9,419,642.
b Buildings		44,411,354.	14,254,018.	30,157,336.
c Leasehold improvements		865,925.	819,463.	46,462.
d Equipment		123816817.	71,839,083.	51,977,734.
e Other		299,053.		299,053.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				91,900,227.

132052
01-23-12

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

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

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	21,795,771.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	21,795,771.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ESTIMATED 3RD PARTY PAYOR	
(3) SETTLEMENTS	1,420,274.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	1,420,274.

2. FIN 48 (ASC 740) Footnote. If 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).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	191,169,418.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	189,571,452.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,597,966.
4	Net unrealized gains (losses) on investments	4	3,521,064.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-25,805,592.
9	Total adjustments (net). Add lines 4 through 8	9	-22,284,528.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-20,686,562.

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

1	Total revenue, gains, and other support per audited financial statements			1	159565597.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	3,521,063.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d	-36901227.		
e	Add lines 2a through 2d			2e	-33380164.
3	Subtract line 2e from line 1			3	192945761.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b	-1,776,343.		
c	Add lines 4a and 4b			4c	-1,776,343.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	191169418.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	178702319.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d	226,502.		
e	Add lines 2a through 2d			2e	226,502.
3	Subtract line 2e from line 1			3	178475817.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b	11,095,635.		
c	Add lines 4a and 4b			4c	11,095,635.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	189571452.

Part XIV Supplemental Information

Complete this part to 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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: THE EARNINGS OF THE ENDOWMENT FUND ARE DIRECTED TO THE BOARD'S DISCRETION. FOR THE PAST FIVE YEARS, THE EARNINGS HAVE BEEN USED TO FUND THE HOSPITAL'S HEALTH REACH PROGRAM.

PART X, LINE 2: THE MEDICAL CENTER (TUOMEY) IS EXEMPT FROM INCOME TAX UNDER SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE;ACCORDINGLY, THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL

Part XIV Supplemental Information *(continued)*

AND STATE INCOME TAXES. THE SYSTEM HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2012. FISCAL YEARS ENDING ON OR AFTER SEPTEMBER 30, 2009 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN PENSION OBLIGATION	-9,832,133.
INTERCOMPANY EQUITY TRANSFER	-15,204,671.
INTERCOMPANY INCOME TRANSFER	-768,788.
TOTAL TO SCHEDULE D, PART XI, LINE 8	-25,805,592.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN NET PENSION OBLIGATION	-9,832,133.
EXPENSES IN REVENUES	-1,675,203.
INTERCOMPANY EQUITY TRANSFER	-15,204,671.
INTERCOMPANY INCOME TRANSFER	-768,788.
BAD DEBT EXPENSE	-9,420,432.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	-36,901,227.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

TIMOTHY J. TUOMEY TRUST REVENUES	-1,758,721.
GAIN/LOSS ON THE SALE OF ASSETS	-17,622.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	-1,776,343.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

TIMOTHY J. TUOMEY TRUST INVESTMENT EXPENSES	208,880.
GAIN/LOSS ON THE SALE OF ASSETS	17,622.
TOTAL TO SCHEDULE D, PART XIII, LINE 2D	226,502.

Part XIV Supplemental Information *(continued)*

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE	9,420,432.
EXPENSES IN REVENUES	1,675,203.
TOTAL TO SCHEDULE D, PART XIII, LINE 4B	11,095,635.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," was it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.			
	[X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other ____ %	3a	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other ____ %	3b	X	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income-based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Did the organization prepare a community benefit report during the tax year?	6a		X
b	If "Yes," did the organization make it available to the public?	6b		

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			17,508,937.	8,314,494.	9,194,443.	5.10%
b Medicaid (from Worksheet 3, column a)			27,700,681.	25,237,863.	2,462,818.	1.37%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			45,209,618.	33,552,357.	11,657,261.	6.47%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			379,052.		379,052.	.21%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			32,444.		32,444.	.02%
j Total. Other Benefits			411,496.		411,496.	.23%
k Total. Add lines 7d and 7j			45,621,114.	33,552,357.	12,068,757.	6.70%

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development	1		45,000.		45,000.	.02%
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	1		728,469.		728,469.	.40%
9	Other						
10	Total	2		773,469.		773,469.	.42%

Part III Bad Debt, Medicare, & Collection Practices

				Yes	No
Section A. Bad Debt Expense					
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X		
2	Enter the amount of the organization's bad debt expense	2	9,420,432.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.				
Section B. Medicare					
5	Enter total revenue received from Medicare (including DSH and IME)	5	50,660,057.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	62,746,244.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-12086187.		
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: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other				
Section C. Collection Practices					
9a	Did the organization have a written debt collection policy during the tax year?	9a	X		
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X		

Part IV Management Companies and Joint Ventures (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 %

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 TUOMEY REGIONAL MEDICAL CENTER 129 NORTH WASHINGTON ST SUMTER, SC 29150	X	X					X		DISPROPORTIONATE SHARE HOSPITAL

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: TUOMEY REGIONAL MEDICAL CENTER

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in its community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 200 %			
If "No," explain in Part VI the criteria the hospital facility used.			

Part V Facility Information *(continued)* TUOMEY REGIONAL MEDICAL CENTER

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care?	10	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
If "No," explain in Part VI the criteria the hospital facility used.			
11 Explained the basis for calculating amounts charged to patients?	11	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a [X] Income level			
b [ ] Asset level			
c [ ] Medical indigency			
d [X] Insurance status			
e [X] Uninsured discount			
f [X] Medicaid/Medicare			
g [X] State regulation			
h [ ] Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12	X	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a [X] The policy was posted on the hospital facility's website			
b [ ] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [X] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on request			
g [ ] Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	X	
15 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 patient's eligibility under the facility's FAP:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):			
a [ ] Notified patients of the financial assistance policy on admission			
b [ ] Notified patients of the financial assistance policy prior to discharge			
c [ ] Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d [ ] Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e [ ] Other (describe in Part VI)			

Part V Facility Information *(continued)* TUOMEY REGIONAL MEDICAL CENTER

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
	If "No," indicate why:		
a	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility's policy was not in writing		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	☒ Other (describe in Part VI).		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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 Part VI.	X	
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	X	

Part V Facility Information *(continued)*

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 2

Name and address	Type of Facility (describe)
1 CANCER TREATMENT CENTER 130 N. WASHINGTON STREET SUMTER, SC 29150	RADIATION/ CHEMOTHERAPY CENTER
2 TUOMEY MEDICAL PARK ALICE DR & WESTMONT BLVD SUMTER, SC 29150	OUTPATIENT IMAGING, REHAB, OTHER

Part VI Supplemental Information

Complete this part to provide the following information.

1 Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 State filing of community benefit report. If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7: THE ORGANIZATION UTILIZED THE IRS WORKSHEETS TO DETERMINE THE COST TO CHARGE RATIO

PART I, LINE 7, COLUMN (F): THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 9420432.

PART II: ECONOMIC DEVELOPMENT - SUMTER SMARTER GROWTH INITIATIVE IS A SUMTER ECONOMIC DEVELOPMENT DONATION MADE TO ASSIST IN SUMTER DEVELOPMENT BOARD'S EFFORTS AT RECRUITING INSUDTRY, MARKETING THE SUMNTER COMMUNITY AND DEVELOPING SUMTER COUNTY'S INDUSTRIAL DEVELOPMENT PRODUCTS.

WORKFORCE DEVELOPMENT - TUOMEY WORKS TO RECRUIT PHYSICIANS THAT WILL MEET THE HEALTHCARE NEEDS OF THE COMMUNITY.

PART III, LINE 4: ALTHOUGH NOT DESCRIBED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS, THE PRACTICE OF THE HOSPITAL IS TO RECORD BAD DEBT EXPENSE AT THE UNPAID BALANCES AFTER CONTRACTUAL DISCOUNTS FOR

Part VI | Supplemental Information

PATIENT'S WITH INSURANCE AND AT THE 70% DISCOUNTED CHARGE LEVEL FOR THOSE WHO DO NOT HAVE INSURANCE. THE HOSPITAL NEGOTIATES WITH PAYERS TO COME UP WITH A FAIR DISCOUNTED RATE TO BE PAID FOR SERVICES RENDERED. THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBT EXPENSES. SIMILARLY FOR PATIENTS WITHOUT ANY INSURANCE, THE HOSPITAL OFFERS SEVERAL DIFFERENT DISCOUNT PROGRAMS, BASED UPON FINANCIAL NEED, TO THESE PATIENTS AND ONCE AGAIN THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBTS. FOR PATIENTS WHO DO NOT MEET OR DO NOT FOLLOW-THROUGH TO DEMONSTRATE FINANCIAL HARDSHIP, THE HOSPITAL DOES EXPECT TO BE REIMBURSED AT 70% OF ITS CHARGES. ALL OF THE REMAINING BALANCES THAT ARE NOT PAID ARE RECORDED AS BAD DEBTS.

THE HOSPITAL HAS COSTED THE BAD DEBTS EXPENSE IN LINE 2 OF THIS SECTION AT THE FULL UNPAID CONTRACTED RATE FOR PATIENTS WITH INSURANCE AS THIS REPRESENTS THE "CONTRACTED COST" FOR THE SERVICE AND THUS NOT APPLICABLE TO AN OVERALL COST-TO-CHARGE RATIO. FOR PATIENS WITH NO INSURANCE, THE COST ON LINE 2 REPRESENTS THE 70% OF CHARGE FIGURES MULTIPLIED BY THE OVERALL COST-TO-CHARGE RATIO FROM THE AUDITED FINANCIAL STATEMENTS. THE CRITERIA THE HOSPITAL USES FOR DISTINGUISHING BETWEEN CHARITY CARE AND BAD DEBT IS THAT IN ORDER FOR A PATIENT TO QUALIFY AS CHARITY CARE, THEY MUST SHARE THEIR FINANCIAL INFORMATION AND SHOW THAT THEY FALL WITHIN THE FEDERAL POVERTY GUIDELINES. THUS THE HOSPITAL BELIEVES THAT 50% OF THE FIGURE RECORDED AS BAD DEBT EXPENSE ON LINE 2 WOULD QUALIFY FOR CHARITY CARE IF THE PATIENTS HAD SHARED THEIR FINANCIAL INFORMATION. THIS PERCENTAGE WAS DERRIVED FROM DEMOGRAPHIC STUDIES OF THE COMMUNITY FOR FAMILIES FALLING BELOW THE HOSPITAL'S CHARITY CARE GUIDELINES, WHICH ARE BASED ON THE FEDERAL POVERTY GUIDELINES, IN THE MARKET AREA.

PART III, LINE 8: THE ORGANIZATION UTILIZED A COST-TO-CHARGE RATIO IN

Part VI Supplemental Information

DETERMINING THE COSTING FOR THIS SECTION.

PART III, LINE 9B: ALL SELF PAY PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND ARE GIVEN THE OPPORTUNITY TO COMPLETE THE APPLICATION. OTHERWISE PRIOR TO THE PROCEDURE AN ATTEMPT IS MADE TO COLLECT A PORTION OF THE COST OF THE PROCEDURE BASED ON A GOOD FAITH ESTIMATE. AFTER THE PROCEDURE THE HOSPITAL WILL SEND OUT ONE STATEMENT WITH THE AMOUNT OWED BY THE PATIENT. AFTER THIS, THE ACCOUNT IS TURNED OVER TO OUR IN-HOUSE COLLECTIONS DEPARTMENT. THEY CALL THE PATIENT TO DISCUSS PAYMENT TERMS AND OUR FINANCIAL ASSISTANCE PROGRAMS TO TRY AND FIND OUT IF THE PATIENT HAS A 3RD PARTY PAYER. AFTER 120 DAYS THE ACCOUNT IS THEN TURNED OVER TO OUR OUTSIDE 3RD PARTY COLLECTOR. THE COLLECTOR WILL CALL AND SEND STATEMENTS IN AN ATTEMPT TO COLLECT THE FUNDS. AFTER 120 DAYS FROM THIS PLACEMENT, IF THERE HAS BEEN NO ACTIVITY ON THE ACCOUNT, IT IS RETURNED TO THE HOSPITAL.

TUOMEY REGIONAL MEDICAL CENTER:

PART V, SECTION B, LINE 19D: THE ORGANIZATION IS IN THE PROCESS OF ADOPTING A METHOD TO COMPUTE AMOUNTS GENERALLY BILLED THAT WILL BE IN COMPLIANCE WITH REG. SEC. 1.501(R)-5 WHEN FINAL GUIDANCE IS RELEASED.

PART VI, LINE 2: TUOMEY PROCURES AN ANNUAL ASSESSMENT IN REGARDS TO DETERMINING THE PHYSICIAN NEEDS OF THE SUMTER COMMUNITY. THE ANNUAL ASSESSMENT WAS PERFORMED IN 2012 BY AMERIMED CONSULTING. TUOMEY PARTICIPATED IN THE DEVELOPMENT OF THE MEDICAL STAFF DEVELOPMENT PLAN BASED ON THE HEALTHCARE NEEDS OF ITS MEDICAL SERVICE AREA. TUOMEY STRIVES TO MAKE IT UNNECESSARY AND UNREASONABLE FOR ANYONE TO GO OUTSIDE OF THE

Part VI Supplemental Information

COMMUNITY TO OBTAIN HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A QUALITY, COST EFFECTIVE MANNER.

PART VI, LINE 3: PER TUOMEY POLICY, PUBLIC NOTICE OF THE AVAILABILITY OF ASSISTANCE IS PROVIDED THROUGH THE POSTING OF NOTICES IN LOCATIONS OF HIGH VOLUME SUCH AS INPATIENT/OUTPATIENT ADMITTING/REGISTRATION, ER, BILLING OFFICES, ADMITTING OFFICES AND HOSPITAL OUTPATIENT SERVICE SETTINGS. IN ADDITION, NOTICE OF THE AVAILABILITY OF ASSISTANCE AND CONTACT INFORMATION IS LOCATED ON THE HOSPITAL WEBSITE. PATIENT LIABILITY STATEMENTS SENT TO PATIENTS ALSO INCLUDE LANGUAGE INDICATING THE PATIENT MAY BE ELIGIBLE FOR ASSISTANCE IF THEY MEET CERTAIN INCOME REQUIREMENTS.

PART VI, LINE 4: SUMTER COUNTY IS HOME TO 107,456 RESIDENTS, WITH 18.3% OF THESE RESIDENTS AT OR BELOW THE POVERTY LEVEL. SUMTER'S RACIAL DEMOGRAPHICS ARE COMPRISED OF 49.4% WHITE, 47.0% AFRICAN-AMERICAN, 1.2% ASIAN, AND 4.6% OTHER. THE AVERAGE INCOME FOR A SUMTER HOUSEHOLD IS $29,915. CURRENTLY, SUMTER'S UNEMPLOYMENT RATE EQUALS 10.2%. SUMTER HAS A MILITARY BASE WHICH HOUSES U.S. AIR FORCE AND U.S. ARMY TROOPS.

PART VI, LINE 5: TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA. TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY. TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS. THE ORGANIZATION UTILIZES SURPLUS FUNDS TO MAKE IT NOT ONLY UNNECESSARY, BUT UNREASONABLE FOR ANYONE TO GO ELSEWHERE FOR HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A HIGH-QUALITY, COST-EFFECTIVE MANNER.

Part VI Supplemental Information

A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA AND ARE NOT EMPLOYEES, FAMILY MEMBERS OF EMPLOYEES, OR CONTRACTORS OF THE ORGANIZATION. TUOMEY EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL LOCAL PHYSICIANS IN MOST OF OUR DEPARTMENTS.

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:
SC

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

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 Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SUMTER SMARTER GROWTH INITIATIVE 12 EAST CALHOUN SUMTER, SC 29150	26-4385624	501(C)(3)	45,000.	0.			TO BRING JOBS AND CAPITAL INVESTMENT TO SUMTER COUNTY

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

3 Enter total number of other organizations listed in the line 1 table ▶

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to 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 non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

0511

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" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

TUOMEY

Employer identification number

57-0343398

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☒ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☐ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on 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		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		X
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.		
	☒ Compensation committee		
	☒ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☐ Compensation survey or study		
	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		X
8	Were any amounts reported in 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		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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 in 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		(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 reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 HENRY MOSES, MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	277,848.	0.	140,952.	22,000.	12,437.	453,237.	0.
2 SAMUEL RIDDLE, MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	224,486.	0.	51,362.	16,498.	4,477.	296,823.	0.
3 R. JAY COX	(i)	541,415.	167,003.	130,228.	156,631.	15,796.	1,011,073.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 J. GREGG MARTIN	(i)	333,414.	77,125.	98,416.	116,681.	6,361.	631,997.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 GENE F. DICKERSON, MD	(i)	325,348.	75,268.	81,808.	77,901.	1,283.	561,608.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 WILLIAM RENWICK	(i)	170,158.	26,153.	53,784.	80,534.	0.	330,629.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 MICHELLE LOGAN-OWENS	(i)	164,507.	23,561.	1,213.	32,773.	0.	222,054.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 TERESA M. CARLTON	(i)	164,507.	23,561.	16,664.	23,231.	15,796.	243,759.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 TEXIN LI	(i)	205,586.	200.	0.	8,223.	15,796.	229,805.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 MICHAEL SAND	(i)	147,881.	200.	20,866.	10,400.	11,283.	190,630.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 JUDY LYNN ROBERTS	(i)	188,576.	200.	0.	22,000.	11,283.	222,059.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 JEFF FAW	(i)	180,000.	13,834.	166.	12,932.	15,796.	222,728.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 ANTHONY W. CABALLERO	(i)	136,669.	200.	37,987.	10,486.	15,796.	201,138.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 MIKE WINIARSKI (FROM 4/11 TO 8/11)	(i)	114,561.	0.	55,990.	33,337.	3,180.	207,068.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 PAUL JOHNSON (THROUGH 4/11)	(i)	96,671.	0.	82,647.	38,500.	5,265.	223,083.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16	(i)							
	(ii)							

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Part III Supplemental Information

Complete this part to 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.

PART I, LINE 1A: MIKE WINIARSKI RECEIVED AN HOUSING ALLOWANCE OF $10,260.

PART I, LINE 4B: THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN (457(F)) AND/OR DEFINED BENEFIT PLAN FOR 2011, AS FOLLOWS. THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (C):

R. JAY COX	$ 112,631
J. GREGG MARTIN	72,681
WILLIAM RENWICK	36,534
DR. GENE DICKERSON	68,301
TERESA M. CARLTON	15,824
MICHELLE LOGAN-OWENS	26,054
MIKE WINIARSKI	33,337

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

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of Issuer Yes	(h) On behalf of Issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EKE4	01/12/06	76,542,284.	SEE PART VI		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FBT8	12/01/08	16,440,000.	SEE PART VI		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	21,580,000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	76,542,284.	16,440,000.		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds		240,000.		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	36,255,000.	16,200,000.		
12	Other unspent proceeds				
13	Year of substantial completion	2007	1995		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
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?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		.00 %		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		.00 %		%		%		%
6 Total of lines 4 and 5		.00 %		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty In Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X					
2 Is the bond issue a variable rate issue?		X	X					
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintergrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X				
6 Did the bond issue qualify for an exception to rebate?		X	X					

Part V Procedures To Undertake Corrective Action

Check the box if 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 ☐ Yes ☒ No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SEE PART VI SUPPLEMENTAL EXPLANATION SHEET

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Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE,

BOND (A) - THE PROJECT CONSISTS OF THE EXPANSION OF THE PATIENT TOWER TO INCLUDE 35 ADDITIONAL BEDS AT AN ESTIMATED COST OF $30,000,000. SIGNIFICANT ASPECTS OF THE PROJECT INCLUDED THE TUOMEY WOMEN'S CENTER, THE TUOMEY HEALTHCARE SYSTEM NURSERIES, AND EXPANDED INPATIENT CAPACITY OF 22 PRIVATE INPATIENT ROOMS THROUGH A RELOCATION OF CERTAIN DEPARTMENTS.

BOND (B) - NET PROCEEDS FROM THE SALE OF THE BONDS WERE APPLIED TO THE PAYMENT UPON REDEMPTION OF THE SERIES 1995B VARIABLE RATE BONDS.

SCHEDULE K, PART II, LINE 11, OTHER SPENT PROCEEDS:

AMOUNTS ON LINE 11 REPRESENT BOND PROCEEDS USED TO REFUND PRIOR ISSUES DATED AS FOLLOWS:

BOND (A) - $ 36,255,000: SERIES 1995A, REFUNDED ON FEBRUARY 16, 2006

BOND (B) - $ 16,200,000: SERIES 1995B, REFUNDED ON DECEMBER 1, 2008

SCHEDULE K, PART III,

BOND (B) WAS USED TO CURRENTLY REFUND AN ISSUE DATED BEFORE JANUARY 1, 2003; THEREFORE, PART III OF SCHEDULE K IS NOT APPLICABLE TO THIS BOND.

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, line 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. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) 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) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type 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	(e) Sharing of organization's revenues? No
CHERYL MARTIN	FAMILY RELATIONSHIP	156,023.	COMPENSATIO		X
SYLVESTER OWENS	FAMILY RELATIONSHIP	97,513.	COMPENSATIO		X
JOSEPH DURANT	FAMILY RELATIONSHIP	48,085.	COMPENSATIO		X
MACAULAY SMITH	FAMILY RELATIONSHIP	61,191.	COMPENSATIO		X
SHARRY WILLIAMS	FAMILY RELATIONSHIP	12,729.	COMPENSATIO		X

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: CHERYL MARTIN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH OFFICER J. GREGG MARTIN

(C) AMOUNT OF TRANSACTION $ 156,023.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: SYLVESTER OWENS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH KEY EMPLOYEE MICHELLE LOGAN-OWNES

(C) AMOUNT OF TRANSACTION $ 97,513.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: JOSEPH DURANT

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH BOARD MEMBER KAY RAFFIELD

(C) AMOUNT OF TRANSACTION $ 48,085.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: MACAULAY SMITH

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH CHIEF OF MEDICAL STAFF MURREL SMITH

(C) AMOUNT OF TRANSACTION $ 61,191.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: SHARRY WILLIAMS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH BOARD MEMBER MITCH WILLIAMS

(C) AMOUNT OF TRANSACTION $ 12,729.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

PROVIDES NON-EMERGENCY MEDICAL SERVICES TO ANYONE WITH THE ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. DURING THE YEAR, TUOMEY PROVIDED 67,628 ADULT PATIENT DAYS, 1,399 BIRTHS, 3,973 NURSERY PATIENT DAYS, 60,243 ER VISITS AND 38,758 OTHER OUTPATIENT VISITS. IT ALSO PROVIDED APPROXIMATELY $38 MILLION DOLLARS OF CHARITY CARE.

FORM 990, PART VI, SECTION B, LINE 11: THE RETURN WAS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM WITH ASSISTANCE AND OVERSIGHT BY MANAGEMENT. UPON COMPLETION, THE RETURN WAS REVIEWED BY MANAGEMENT AND DISCUSSED WITH THE BOARD OF DIRECTORS OF THE ORGANIZATION BY THE CFO AND TAX PREPARER BEFORE FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C: EACH YEAR THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A CONFLICT OF INTEREST POLICY QUESTIONNAIRE REQUIRING ALL PERSONS MANAGER AND ABOVE TO DISCLOSE ANY POSSIBLE CONFLICT OF INTEREST. OFFICERS, KEY EMPLOYEES, AND TRUSTEES OF THE BOARD COMPLETE THIS QUESTIONNAIRE. BEFORE MAJOR VOTES AND DECISIONS, THE POLICY IS CONSIDERED AND ANY MEMBER WITH A CONFLICT IS EXCUSED FROM THE DISCUSSION OR VOTE. DOCUMENTATION OF THE CONSIDERATION IS KEPT IN THE MINUTES.

FORM 990, PART VI, SECTION B, LINE 15: THE ORGANIZATION ENGAGES AN INDEPENDENT COMPENSATION CONSULTANT TO DETERMINE THE FAIR MARKET VALUE OF TOP EXECUTIVES. FINDINGS OF THE STUDY ARE REVEIWED BY THE BOARD OF TRUSTEES AND USED IN THE SELECTION AND APPROVAL OF COMPENSATION PACKAGES

Name of the organization: TUOMEY

Employer identification number: 57-0343398

FOR THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES, INCLUDING THE COO, CFO, CNO, CHIEF MEDICAL OFFICER, AND VICE PRESIDENTS.

FORM 990, PART VI, SECTION C, LINE 18: PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE. IN ADDITION, RECENT FILING OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW.GUIDESTAR.ORG.

FORM 990, PART VI, SECTION C, LINE 19: PHOTOCOPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	3,521,064.
CHANGE IN PENSION OBLIGATION	-9,832,133.
INTERCOMPANY EQUITY TRANSFER	-15,204,671.
INTERCOMPANY INCOME TRANSFER	-768,788.
TOTAL TO FORM 990, PART XI, LINE 5	-22,284,528.

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

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
THE TUOMEY FOUNDATION - 57-1041691 115 N. SUMTER ST. SUITE 120 SUMTER, SC 29150	SUPPORT AND FUNDRAISING	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	N/A		X
TUOMEY MEDICAL PROFESSIONALS, INC. - 57-1012488, 129 NORTH WASHINGTON ST., SUMTER, SC 29150	HEALTHCARE	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	N/A		X
TIMOTHY J. TUOMEY TRUST - 23-7127466 129 NORTH WASHINGTON ST. SUMTER, SC 29150	SUPPORT AND FUNDRAISING	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule R (Form 990) 2011

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
TUOMEY PROFESSIONAL SERVICES, LLC - 20-1691464 129 NORTH WASHINGTON ST. SUMTER, SC 29150	HEALTH CARE SERVICES	SC	N/A	C CORP	3,843,605.	1,210,203.	100.00%
CORE POSSIBILITIES - 20-8372814 129 NORTH WASHINGTON ST. SUMTER, SC 29150	HEALTH CARE SERVICES	SC	N/A	C CORP	N/A	N/A	N/A

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Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) TUOMEY MEDICAL PROFESSIONALS	A	558,816.	CASH
(2) TUOMEY PROFESSIONAL SERVICES, LLC	A	88,302.	CASH
(3) THE TUOMEY FOUNDATION	C	257,604.	CASH
(4) TUOMEY MEDICAL PROFESSIONALS	K	145,575.	CASH
(5) TUOMEY PROFESSIONAL SERVICES, LLC	K	9,975.	CASH
(6) TUOMEY MEDICAL PROFESSIONALS	N	104,589.	CASH

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Schedule R (Form 990) TUOMEY 57-0343398

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) TUOMEY MEDICAL PROFESSIONALS	Q	8,376,621.	CASH
(8) TUOMEY PROFESSIONAL SERVICES, LLC	Q	768,789.	CASH
(9) THE TUOMEY FOUNDATION	N	91,488.	CASH
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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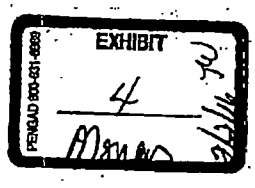
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Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

EXHIBIT 4

2012 TUOMEY 990



efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493227038444

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 black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
TUOMEY HEALTHCARE SYSTEM

Doing Business As
TUOMEY HEALTHCARE SYSTEM

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
129 NORTH WASHINGTON STREET

City or town, state or country, and ZIP + 4
SUMTER, SC 29150

D Employer identification number
57-0343398

E Telephone number
(803) 774-8616

G Gross receipts $ 200,631,599

F Name and address of principal officer
MICHAEL J SCHWARTZ
129 NORTH WASHINGTON STREET
SUMTER, SC 29150

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates 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 TUOMEY COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1914

M State of legal domicile SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATION OF NONPROFIT HEALTHCARE FACILITY IN SUMTER, SC

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,946
6	Total number of volunteers (estimate if necessary)	6	250
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	187,206,374	194,394,421
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,321,613	3,388,714
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,641,431	3,048,464
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	191,169,418	200,631,599
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	45,000	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	88,836,640	88,829,868
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶291,759		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	100,689,812	113,112,001
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	189,571,452	201,941,869
19	Revenue less expenses. Subtract line 18 from line 12	1,597,966	-1,110,270

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	262,910,417	260,048,671
21	Total liabilities (Part X, line 26)	160,056,368	144,052,098
22	Net assets or fund balances. Subtract line 21 from line 20	101,854,049	115,996,573

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

******
Signature of officer — Date: 2014-08-15

MICHAEL J SCHWARTZ CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
AMY GIBBY				P00445891

Firm's name ▶ DIXON HUGHES GOODMAN LLP — Firm's EIN ▶ 56-0747981

Firm's address ▶ 500 RIDGEFIELD COURT, ASHEVILLE, NC 28806 — Phone no (828) 254-2254

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

For Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form 990 (2012)

Part III Statement of Program Service Accomplishments
Check if Schedule O contains a response to any question in this Part III ☑

1 Briefly describe the organization's mission

THE MISSION OF TUOMEY HEALTHCARE SYSTEM IS TO PROMOTE GOOD HEALTH AND WELL-BEING AND TO PROVIDE EXCELLENT HEALTHCARE FOR EVERYONE IN SUMTER AND SURROUNDING COUNTIES

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 $ 182,676,054 including grants of $ 0) (Revenue $ 194,394,421)

TUOMEY HEALTHCARE SYSTEMS IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS THE PROMOTION OF HEALTH HAS BEEN ESTABLISHED AS A CHARITABLE PURPOSE UNDER INTERNAL REVENUE CODE (IRC) SECTION 501 (C) (3) REV- RUL 69-545, 1969-2 C B 94, SETS FOR THE FACTORS THE INTERNAL REVENUE SERVICE WILL CONSIDER IN DETERMINING WHETHER A NON-PROFIT HOSPITAL QUALIFIES FOR TAX-EXEMPT STATUS TUOMEY HAS OPERATED ITS FACILITIES IN A MANNER DESCRIBED BY REV RUL 69-545, SUPRA THE BOARD OF TRUSTEES IS COMPRISED OF INDEPENDENT CIVIC LEADERS AN OPEN MEDICAL STAFF IS MAINTAINED BY TUOMEY, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS ALSO, TUOMEY OPERATED A FULL-TIME EMERGENCY ROOM OPEN TO ANYONE WITHOUT THE ABILITY TO PAY AND PROVIDES NON-EMERGENCY MEDICAL SERVICES TO ANYONE WITH THE ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT DURING THE YEAR, TUOMEY PROVIDED 66,026 ADULT PATIENT DAYS, 1,315 BIRTHS, 3,785 NURSERY PATIENT DAYS, 58,849 ER VISITS AND 84,577 OTHER OUTPATIENT VISITS IT ALSO PROVIDED $36,471,236 MILLION WORTH OF CHARITY CARE

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** ▶ 182,676,054

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

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

Check if Schedule O contains a response to any question in this Part V

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	754		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,946		
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		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
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 Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
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 and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the 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?		12a		
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		

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 to any question in this Part VI ☐

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 8		
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?	2		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?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Did the organization have members or stockholders?	6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	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*	9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 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, physical address, and telephone number of the person who possesses the books and records of the organization ▶LISA C LEUCK CONTROLLER 129 N WASHINGTON STREET SUMTER, SC (803)774-8617

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

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN BRABHAM CHAIRMAN	1 00	X		X				0	0	0
(2) LEROY CREECH VICE-CHAIRMAN	1 00	X		X				0	0	0
(3) PHIL PALMER TREASURER	1 00	X		X				0	0	0
(4) NICOLE NORRIS SECRETARY	1 00	X		X				0	0	0
(5) CYNTHIA REESE MD CHIEF OF MEDICAL STAFF	1 00	X						18,624	0	0
(6) KIM HARVIN BOARD MEMBER	1 00	X						0	0	0
(7) ANSEL MCFADDIN MD BOARD MEMBER	1 00	X						0	0	0
(8) CHALMERS GLENN BOARD MEMBER	1 00	X						0	0	0
(9) MITCHELL WILLIAMS BOARD MEMBER	1 00	X						0	0	0
(10) SAMUEL RIDDLE MD BOARD MEMBER	1 00	X						0	439,819	15,381
(11) BEN GRIFFITH BOARD MEMBER	1 00	X						0	0	0
(12) KAY RAFFIELD PHD BOARD MEMBER	1 00	X						0	0	0
(13) R JAY COX CEO/PRESIDENT	40 00	X		X				820,583	0	170,879
(14) MARK M CRABBE MD BOARD MEMBER	1 00	X						0	733,923	43,935
(15) HENRY MOSES MD BOARD MEMBER	1 00	X						0	678,390	42,719
(16) J GREGG MARTIN COO/VICE-PRESIDENT	40 00			X				493,659	0	121,372
(17) MARK LOVELL CFO/VICE-PRESIDENT	40 00			X				191,025	0	52,193

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) GENE F DICKERSON MD VP OF MEDICAL AFFAIRS	40 00				X			494,102	0	29,253
(19) WILLIAM RENWICK VP	40 00				X			241,166	0	13,512
(20) MICHELLE LOGAN-OWENS VP	40 00				X			198,156	0	8,859
(21) TERESA M CARLTON CNO/VICE-PRESIDENT	40 00				X			208,520	0	39,008
(22) TEXIN LI PHYSICIST	40 00					X		207,938	0	26,043
(23) MICHAEL SAND CRNA	40 00					X		195,810	0	17,779
(24) JUDY LYNN ROBERTS CRNA	40 00					X		190,736	0	20,477
(25) ETNA C GRIFFIN CRNA	40 00					X		176,107	0	7,814
(26) SHERRI J BABB CRNA	40 00					X		178,107	0	27,504
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								3,614,533	1,852,132	636,728

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 29

			Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
CARDINAL PHARMACY PO BOX 402603 ATLANTA GA 30384	MEDICAL SERVICES	8,906,355
ORLANDO EMERGENCY PHYSICIANS PA 129 NORTH WASHINGTON ST SUMTER SC 29150	MEDICAL SERVICES	6,589,526
CARDINAL HEALTH MEDICAL PRODUCTS PO BOX 905867 CHARLOTTE NC 28290	MEDICAL SERVICES	5,935,593
VARIAN MEDICAL SYSTEMS INC 70140 NETWORK PLACE CHICAGO IL 606731701	MEDICAL SERVICES	3,071,296
MEDICAL DOCTOR ASSOCIATES INC PO BOX 277185 ATLANTA GA 303847185	MEDICAL SERVICES	2,445,313

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 162

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	Total. Add lines 1a-1f				
Program Service Revenue		Business Code				
	2a	NET PROGRAM SERVICE REVENUE	621400	180,119,357	180,119,357	
	b	DISPROPORTIONATE SHARE POOL	900099	7,360,637	7,360,637	
	c	ANCILLARY SERVICES	900099	3,529,837	3,529,837	
	d	MEANINGFUL USE REVENUE	900099	3,384,590	3,384,590	
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		194,394,421		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,106,495		1,106,495
	4	Income from investment of tax-exempt bond proceeds		13,698		13,698
	5	Royalties				
		(i) Real / (ii) Personal				
	6a	Gross rents 1,066,993				
	b	Less rental expenses 0				
	c	Rental income or (loss) 1,066,993				
	d	Net rental income or (loss)		1,066,993		1,066,993
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 2,195,027 / 73,494				
	b	Less cost or other basis and sales expenses 0 / 0				
	c	Gain or (loss) 2,195,027 / 73,494				
	d	Net gain or (loss)		2,268,521		2,268,521
	8a	Gross income from fundraising events (not including $ ____ of contributions reported on line 1c) See Part IV, line 18 a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19 a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue / Business Code				
	11a	CAFETERIA & VENDING 722210	1,162,762			1,162,762
	b	MEDICAL RECORD TRANSC 900099	172,644			172,644
	c	AFFILIATE MANAGEMENT 561000	135,600			135,600
	d	All other revenue	510,465			510,465
	e	Total. Add lines 11a-11d	1,981,471			
	12	Total revenue. See Instructions	200,831,599	194,394,421	0	6,437,178

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 to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,467,640	733,821	733,819	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	67,938,865	61,778,281	5,934,534	226,050
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,095,763	1,887,583	201,354	6,826
9 Other employee benefits	12,453,288	11,216,257	1,196,472	40,559
10 Payroll taxes	4,874,312	4,390,129	468,308	15,875
11 Fees for services (non-employees):				
a Management				
b Legal	499,088		499,088	
c Accounting	90,000		90,000	
d Lobbying	109,941		109,941	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	29,888		29,888	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	19,742,988	18,236,867	1,506,121	
12 Advertising and promotion	509,581	4,959	504,622	
13 Office expenses	19,246,099	18,247,349	998,750	
14 Information technology	1,431,499	1,370,752	60,747	
15 Royalties				
16 Occupancy	2,717,491	2,717,491		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	4,002,169	4,002,169		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,808,243	11,808,243		
23 Insurance	846,190	846,190		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	28,368,938	28,368,938		
b BAD DEBT EXPENSE	11,848,282	11,848,282		
c LEGAL ISSUES	6,636,200		6,636,200	
d HOSPITAL TAX	5,218,240	5,218,240		
e All other expenses	7,164	503	4,212	2,449
25 Total functional expenses. Add lines 1 through 24e	201,941,869	182,676,054	18,974,056	291,759
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet
Check if Schedule O contains a response to any question in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		3,401,695	1	5,936,408
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		30,576,162	4	31,492,562
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		4,708,810	8	4,985,828
	9	Prepaid expenses and deferred charges		7,800,811	9	6,391,922
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 184,168,725			
	b	Less accumulated depreciation	10b 94,484,496	91,900,227	10c	89,684,229
	11	Investments—publicly traded securities		102,726,941	11	90,120,984
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		21,795,771	15	31,434,738
	16	Total assets. Add lines 1 through 15 (must equal line 34)		262,910,417	16	260,048,671
Liabilities	17	Accounts payable and accrued expenses		66,531,272	17	54,816,403
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		92,104,822	20	88,739,614
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		1,420,274	25	495,081
	26	Total liabilities. Add lines 17 through 25		160,056,368	26	144,052,098
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		97,812,906	27	110,955,430
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets		5,041,143	29	5,041,143
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		102,854,049	33	115,996,573
	34	Total liabilities and net assets/fund balances		262,910,417	34	260,048,671

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	200,831,599
2	Total expenses (must equal Part IX, column (A), line 25)	2	201,941,869
3	Revenue less expenses Subtract line 2 from line 1	3	-1,110,270
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	102,854,049
5	Net unrealized gains (losses) on investments	5	1,352,190
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,900,604
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	115,996,573

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☐

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

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. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

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 11, 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)

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 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)

10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? — 11g(i) — Yes ☐ No ☐

(ii) A family member of a person described in (i) above? — 11g(ii) — Yes ☐ No ☐

(iii) A 35% controlled entity of a person described in (i) or (ii) above? — 11g(iii) — Yes ☐ No ☐

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of monetary support
Total									

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Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) 14

15 Public support percentage for 2011 Schedule A, Part II, line 14 15

16a **33 1/3% support test—2012.** 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—2011.** 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—2012.** 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2011.** 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 IV 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 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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 **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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.
▶ See separate instructions.

OMB No 1545-0047

2012

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If the organization answered "Yes" to 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" to 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" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
TUOMEY HEALTHCARE SYSTEM	57-0343398

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

2 Political expenditures ▶ $

3 Volunteer hours

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-

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.		
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	

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

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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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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 to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		14,429
j	Total. Add lines 1c through 1i			14,429
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

Complete this part to 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, line 2, and Part II-B, line 1. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE SOUTH CAROLINA HOSPITAL ASSOCIATION (SCHA) THESE ORGANIZATIONS ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERSHIP BODIES, AND EACH YEAR A PORTION OF THE DUES PAID ARE ALLOCATED TO LOBBYING EXPENDITURES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in 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 Revenues included in 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" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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" to Form 990, Part IV, line 10.

		(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance	6,124,048	5,523,695	5,647,997	5,341,581	5,157,328
b	Contributions					
c	Net investment earnings, gains, and losses	401,911	675,353	-49,302	381,416	259,253
d	Grants or scholarships					
e	Other expenditures for facilities and programs	75,000	75,000	75,000	75,000	75,000
f	Administrative expenses					
g	End of year balance	6,450,959	6,124,048	5,523,695	5,647,997	5,341,581

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

- a Board designated or quasi-endowment ▶ 21 850 %
- b Permanent endowment ▶ 78 150 %
- c Temporarily restricted endowment ▶

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,419,642		9,419,642
b Buildings		41,890,992	15,251,335	26,639,657
c Leasehold improvements		3,142,506	1,358,338	1,784,168
d Equipment		128,141,582	77,874,823	50,266,759
e Other		1,574,003		1,574,003
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				89,684,229

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

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

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	31,434,738
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	31,434,738

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
ESTIMATED 3RD PARTY PAYOR SETTLEMENTS	496,081
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	496,081

2. Fin 48 (ASC 740) Footnote 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

1	Total revenue, gains, and other support per audited financial statements			1	202,791,498
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,352,190		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	14,263,544		
e	Add lines 2a through 2d			2e	15,615,734
3	Subtract line 2e from line 1			3	187,175,764
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	13,655,835		
c	Add lines 4a and 4b			4c	13,655,835
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)			5	200,831,599

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

1	Total expenses and losses per audited financial statements			1	188,533,169
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	247,135		
e	Add lines 2a through 2d			2e	247,135
3	Subtract line 2e from line 1			3	188,286,034
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	13,655,835		
c	Add lines 4a and 4b			4c	13,655,835
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	201,941,869

Part XIII Supplemental Information

Complete this part to 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.

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE EARNINGS OF THE ENDOWMENT FUND ARE DIRECTED TO THE BOARD'S DISCRETION. FOR THE PAST FIVE YEARS, THE EARNINGS HAVE BEEN USED TO FUND THE HOSPITAL'S HEALTH REACH PROGRAM
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE MEDICAL CENTER (TUOMEY) IS EXEMPT FROM INCOME TAX UNDER SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, ACCORDINGLY, THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL AND STATE INCOME TAXES. THE SYSTEM HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2013. FISCAL YEARS ENDING ON OR AFTER SEPTEMBER 30, 2010 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES
PART XI, LINE 2D - OTHER ADJUSTMENTS		CHANGE IN NET PENSION OBLIGATION 13,992,568 TIMOTHY J TUOMEY TRUST REVENUES 270,976
PART XI, LINE 4B - OTHER ADJUSTMENTS		EXPENSES IN REVENUES-1,807,553 BAD DEBT EXPENSE 11,848,282
PART XII, LINE 2D - OTHER ADJUSTMENTS		TIMOTHY J TUOMEY TRUST EXPENSES 247,135
PART XII, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT EXPENSE 11,848,282 EXPENSES IN REVENUES 1,807,553

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			15,449,298		15,449,298	8 130 %
b Medicaid (from Worksheet 3, column a)			24,538,900	24,044,860	494,040	0 260 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			39,988,198	24,044,860	15,943,138	8 390 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			74,805		74,805	0 040 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			74,805		74,805	0 040 %
k Total. Add lines 7d and 7j			40,063,003	24,044,860	16,018,143	8 430 %

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

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

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

				Yes	No
Section A. Bad Debt Expense					
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	12,983,579		
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	9,088,505		
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	71,353,577		
	Enter Medicare allowable costs of care relating to payments on line 5	6	68,201,464		
	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	3,152,113		
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				
	☐ Cost accounting system ☑ Cost to charge ratio ☐ Other				
Section C. Collection Practices					
9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes	

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	TUOMEY REGIONAL MEDICAL CENTER 129 NORTH WASHINGTON ST SUMTER,SC 29150	X	X					X		DISPROPORTIONATE SHARE HOSPITAL	

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Part V. Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A.)

Name of hospital facility or facility reporting group TUOMEY REGIONAL MEDICAL CENTER

For single facility filers only: line Number of Hospital Facility (From Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2012			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		No
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part VI Facility Information *(continued)*

			Yes	No
Financial Assistance Policy				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 200.000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400.000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	12	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☑ Income level			
b	☐ Asset level			
c	☑ Medical indigency			
d	☐ Insurance status			
e	☑ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☑ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☑ Other (describe in Part VI)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			

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Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	

If "No," indicate why

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

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

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

- a ☑ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☐ Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	21	Yes	
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	22	Yes	
If "Yes," explain in Part VI			

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

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 2

	Name and address	Type of Facility (describe)
1	CANCER TREATMENT CENTER 130 N WASHINGTON STREET SUMTER, SC 29150	RADIATION/ CHEMOTHERAPY CENTER
2	TUOMEY MEDICAL PARK ALICE DR WESTMONT BLVD SUMTER, SC 29150	OUTPATIENT IMAGING, REHAB, OTHER
3		
4		
5		
6		
7		
8		
9		
10		

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Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE ORGANIZATION UTILIZED THE IRS WORKSHEETS TO DETERMINE THE COST TO CHARGE RATIO
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 11848282

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Identifier	ReturnReference	Explanation
		PART II ECONOMIC DEVELOPMENT - SUMTER SMARTER GROWTH INITIATIVE IS A SUMTER ECONOMIC DEVELOPMENT DONATION MADE TO ASSIST IN SUMTER DEVELOPMENT BOARD'S EFFORTS AT RECRUITING INSUDTRY, MARKETING THE SUMNTER COMMUNITY AND DEVELOPING SUMTER COUNTY'S INDUSTRIAL DEVELOPMENT PRODUCTS WORKFORCE DEVELOPMENT - TUOMEY WORKS TO RECRUIT PHYSICIANS THAT WILL MEET THE HEALTHCARE NEEDS OF THE COMMUNITY
		PART III, LINE 1 ALTHOUGH NOT DESCRIBED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS, THE PRACTICE OF THE HOSPITAL IS TO RECORD BAD DEBT EXPENSE AT THE UNPAID BALANCES AFTER CONTRACTUAL DISCOUNTS FOR PATIENT'S WITH INSURANCE AND AT THE 65% DISCOUNTED CHARGE LEVEL FOR THOSE WHO DO NOT HAVE INSURANCE THE HOSPITAL NEGOTIATES WITH PAYERS TO COME UP WITH A FAIR DISCOUNTED RATE TO BE PAID FOR SERVICES RENDERED THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBT EXPENSES SIMILARLY FOR PATIENTS WITHOUT ANY INSURANCE, THE HOSPITAL OFFERS SEVERAL DIFFERENT DISCOUNT PROGRAMS, BASED UPON FINANCIAL NEED, TO THESE PATIENTS AND ONCE AGAIN THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBTS FOR PATIENTS WHO DO NOT MEET OR DO NOT FOLLOW-THROUGH TO DEMONSTRATE FINANCIAL HARDSHIP, THE HOSPITAL DOES EXPECT TO BE REIMBURSED AT 65% OF ITS CHARGES ALL OF THE REMAINING BALANCES THAT ARE NOT PAID ARE RECORDED AS BAD DEBTS THE HOSPITAL HAS COSTED THE BAD DEBTS EXPENSE IN LINE 2 OF THIS SECTION AT THE FULL UNPAID CONTRACTED RATE FOR PATIENTS WITH INSURANCE AS THIS REPRESENTS THE "CONTRACTED COST" FOR THE SERVICE AND THUS NOT APPLICABLE TO AN OVERALL COST-TO-CHARGE RATIO FOR PATIENS WITH NO INSURANCE, THE COST ON LINE 2 REPRESENTS THE 65% OF CHARGE FIGURES MULTIPLIED BY THE OVERALL COST-TO-CHARGE RATIO FROM THE AUDITED FINANCIAL STATEMENTS THE CRITERIA THE HOSPITAL USES FOR DISTINGUISHING BETWEEN CHARITY CARE AND BAD DEBT IS THAT IN ORDER FOR A PATIENT TO QUALIFY AS CHARITY CARE, THEY MUST SHARE THEIR FINANCIAL INFORMATION AND SHOW THAT THEY FALL WITHIN THE FEDERAL POVERTY GUIDELINES THUS THE HOSPITAL BELIEVES THAT 50% OF THE FIGURE RECORDED AS BAD DEBT EXPENSE ON LINE 2 WOULD QUALIFY FOR CHARITY CARE IF THE PATIENTS HAD SHARED THEIR FINANCIAL INFORMATION THIS PERCENTAGE WAS DERRIVED FROM DEMOGRAPHIC STUDIES OF THE COMMUNITY FOR FAMILIES FALLING BELOW THE HOSPITAL'S CHARITY CARE GUIDELINES, WHICH ARE BASED ON THE FEDERAL POVERTY GUIDELINES, IN THE MARKET AREA

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ORGANIZATION UTILIZED A COST-TO-CHARGE RATIO IN DETERIMINING THE COSTING FOR THIS SECTION
		PART III, LINE 9B ALL SELF PAY PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND ARE GIVEN THE OPPORTUNITY TO COMPLETE THE APPLICATION OTHERWISE, PRIOR TO THE PROCEDURE, AN ATTEMPT IS MADE TO COLLECT A PORTION OF THE COST OF THE PROCEDURE BASED ON AN GOOD FAITH ESTIMATE AFTER THE PROCEDURE, THE HOSPITAL WILL SEND OUT ONE STATEMENT WITH THE AMOUNT OWED BY THE PATIENT AFTER THIS STATEMENT, THE ACCOUNT IS TURNED OVER TO OUR IN-HOUSE SP COLLECTIONS DEPARTMENT THEY CALL THE PATIENT TO DISCUSS PAYMENT TERMS AND OUR FA PROGRAM AND IF THE PATIENT HAS A 3RD PARTY PAYER AFTER 120 DAYS, THE ACCOUNT IS THEN TURNED OVER TO OUR 3RD PARTY COLLECTOR THE COLLECTOR WILL CALL AND SEND STATEMENTS IN AN ATTEMPT TO COLLECT THE FUNDS AFTER 120 DAYS FROM PLACEMENT, AND THERE HAS BEEN NO ACTIVITY, THE ACCOUNT IS RETURNED TO THE HOSPITAL AND THE ACCOUNT IS WRITTEN OFF

Identifier	ReturnReference	Explanation
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 3 THE INTERNET-BASED SURVEY WAS PROMOTED THROUGH AN EMAIL LIST MAINTAINED BY THE HOSPITAL AND DISTRIBUTED TO LOCAL CIVIC AND HEALTH ORGANIZATIONS WITH A REQUEST FOR PARTICIPATION
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 4 ADVERTISED IN NEWSPAPER

Identifier	ReturnReference	Explanation
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 7 A LACK OF IDENTIFIED EFFECTIVE INTERVENTIONS TO ADDRESS THE NEED AS PREVENTIVE RESPONSES ARE BEST ADDRESSED BY PRIMARY CARE PRACTITIONERS THE NEEDS THAT WERE IDENTIFIED BUT WERE NOT ADDRESSED WERE - OBESITY- HYPERTENSION- AFFORDABLE ACCESS
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 12H HOMELESS

Identifier	ReturnReference	Explanation
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 14G STAFF VISITS AND SCREENS ALL SELF PAY PATIENTS ADMITTED TO THE FACILITY
		PART VI, LINE 2 TUOMEY PROCURES AN ANNUAL PHYSICIAN NEEDS ASSESSMENT TO DETERMINING THE PHYSICIAN NEEDS OF SUMTER COMMUNITY. TUOMEY IS A FULL SEVICE COMMUNITY HOSPITAL, PROVIDING PRIMARY AND SECONDARY LEVELS OF CARE. A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WAS CONDUCTED DURING FY 2013 AND PRESENTED TO THE GOVERNING BOARD

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PER TUOMEY POLICY, PUBLIC NOTICE OF THE AVAILABILITY OF ASSISTANCE IS PROVIDED THROUGH THE POSTING OF NOTICES IN LOCATIONS OF HIGH VOLUME SUCH AS INPATIENT/OUTPATIENT PATIENT ACCESS/REGISTRATION, ER, BILLING OFFICES, ADMITTING OFFICES AND HOSPITAL OUTPATIENT SERVICE SETTINGS IN ADDITION, NOTICE OF THE AVAILABILITY OF ASSISTANCE AND CONTACT INFORMATION IS LOCATED ON THE HOSPITAL WEBSITE PATIENT LIABILITY STATEMENTS SENT TO PATIENTS ALSO INCLUDE LANGUAGE INDICATING THE PATIENT MAY BE ELIGIBLE FOR ASSISTANCE IF THEY MEET CERTAIN INCOME REQUIREMENTS ADDITIONALLY, PATIENT ACCESS REPRESENTATIVES CONTACT ALL INPATIENT SELF PAY PATIENTS AND ALL OUTPATIENT AND ER PATIENTS WITH ACCOUNT BALANCES OVER A MINIMUM BALANCE, AND THROUGH INTERVIEWS, DETERMINE IF THEY ARE ELIGLIBEL FOR ANY FIANANCIAL ASSISTANCE
		PART VI, LINE 4 SUMTER COUNTY IS HOME TO 108,123 RESIDENTS, WITH 18 3% OF THESE RESIDENTS AT OR BELOW THE POVERTY LEVEL SUMTER'S RACIAL DEMOGRAPHICS ARE COMPRISED OF 49 2% WHITE, 47 1% AFRICAN-AMERICAN, 1 3% ASIAN, AND 2 4% OTHER THE AVERAGE INCOME FOR A SUMTER HOUSEHOLD IS $29,915 CURRENTLY, SUMTER'S UNEMPLOYMENT RATE EQUALS 10 2% SUMTER HAS A MILITARY BASE WHICH HOUSES U S AIR FORCE AND U S ARMY TROOPS

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA. TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY. TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS. THE ORGANIZATION UTILIZES SURPLUS FUNDS TO MAKE IT NOT ONLY UNNECESSARY, BUT UNREASONABLE FOR ANYONE TO GO ELSEWHERE FOR HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A HIGH-QUALITY, COST-EFFECTIVE MANNER. A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA AND ARE NOT EMPLOYEES, FAMILY MEMBERS OF EMPLOYEES, OR CONTRACTORS OF THE ORGANIZATION. TUOMEY EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL LOCAL PHYSICIANS IN MOST OF OUR DEPARTMENTS.
REPORTS FILED WITH STATES	PART VI, LINE 7	SC

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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" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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 in 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 reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to 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.

Identifier	Return Reference	Explanation
	PART I, LINE 1A	THERE WAS COUNTRY CLUB DUES FOR JAY COX $ 885 GREGG MARTIN 885
	PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN (457(F)) AND/OR DEFINED BENEFIT PLAN FOR 2012, AS FOLLOWS THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (C) R JAY COX $ 115,050 J GREGG MARTIN 74,154 MARK LOVELL 26,228

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Additional Data

Return to Form

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY HEALTHCARE SYSTEM

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SAMUEL RIDDLE MD	(i)	0	0	0	0	0	0	0
	(ii)	439,819	0	0	0	15,381	455,200	0
R JAY COX	(i)	549,500	170,350	100,733	154,550	16,329	991,462	0
	(ii)	0	0	0	0	0	0	0
MARK M CRABBE MD	(i)	0	0	0	0	0	0	0
	(ii)	350,294	335,000	48,629	26,300	17,635	777,858	0
HENRY MOSES MD	(i)	0	0	0	0	0	0	0
	(ii)	352,958	280,963	44,469	26,300	16,419	721,109	0
J GREGG MARTIN	(i)	338,500	78,701	76,458	113,654	7,718	615,031	0
	(ii)	0	0	0	0	0	0	0
MARK LOVELL	(i)	160,008	0	31,017	40,228	11,965	243,218	0
	(ii)	0	0	0	0	0	0	0
GENE F DICKERSON MD	(i)	494,102	0	0	9,700	19,553	523,355	0
	(ii)	0	0	0	0	0	0	0
WILLIAM RENWICK	(i)	241,166	0	0	8,987	4,525	254,678	0
	(ii)	0	0	0	0	0	0	0
MICHELLE LOGAN-OWENS	(i)	198,156	0	0	6,719	2,140	207,015	0
	(ii)	0	0	0	0	0	0	0
TERESA M CARLTON	(i)	208,520	0	0	19,444	19,564	247,528	0
	(ii)	0	0	0	0	0	0	0
TEXIN LI	(i)	195,142	0	12,796	8,227	17,816	233,981	0
	(ii)	0	0	0	0	0	0	0
MICHAEL SAND	(i)	146,699	0	49,111	7,144	10,635	213,589	0
	(ii)	0	0	0	0	0	0	0
JUDY LYNN ROBERTS	(i)	163,594	0	27,142	7,551	12,926	211,213	0
	(ii)	0	0	0	0	0	0	0
ETNA C GRIFFIN	(i)	150,967	0	25,140	6,901	913	183,921	0
	(ii)	0	0	0	0	0	0	0
SHERRI J BABB	(i)	150,967	0	27,140	14,574	12,930	205,611	0
	(ii)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EKE4	01-12-2006	76,542,284	SEE PART VI		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FBT8	12-01-2008	16,440,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	24,300,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	76,542,284	16,440,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	240,000	240,000		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	36,255,000	16,200,000		
12	Other unspent proceeds				
13	Year of substantial completion	2007	1995		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0.00000%		0.00000%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0.00000%		0.00000%		%		%
6	Total of lines 4 and 5		0.00000%		0.00000%		%		%
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X		X				

Part IV Arbitrage

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

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Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	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?								

Part VI **Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
See Additional Data Table		

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Additional Data

Return to Form

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY HEALTHCARE SYSTEM

Form 990 Schedule K, Part VI - Supplemental Information

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE,		BOND (A) - THE PROJECT CONSISTS OF THE EXPANSION OF THE PATIENT TOWER TO INCLUDE 35 ADDITIONAL BEDS AT AN ESTIMATED COST OF $30,000,000 SIGNIFICANT ASPECTS OF THE PROJECT INCLUDED THE TUOMEY WOMEN'S CENTER, THE TUOMEY HEALTHCARE SYSTEM NURSERIES, AND EXPANDED INPATIENT CAPACITY OF 22 PRIVATE INPATIENT ROOMS THROUGH A RELOCATION OF CERTAIN DEPARTMENTS BOND (B) - NET PROCEEDS FROM THE SALE OF THE BONDS WERE APPLIED TO THE PAYMENT UPON REDEMPTION OF THE SERIES 1995B VARIABLE RATE BONDS

Form 990 Schedule K, Part VI - Supplemental Information

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 11, OTHER SPENT PROCEEDS		AMOUNTS ON LINE 11 REPRESENT BOND PROCEEDS USED TO REFUND PRIOR ISSUES DATED AS FOLLOWS: BOND (A) - $ 36,255,000 SERIES 1995A, REFUNDED ON FEBRUARY 16, 2006 BOND (B) - $ 16,200,000 SERIES 1995B, REFUNDED ON DECEMBER 1, 2008.

Form 990 Schedule K, Part VI - Supplemental Information

Identifier	Return Reference	Explanation
SCHEDULE K, PART III,		BOND (B) WAS USED TO CURRENTLY REFUND AN ISSUE DATED BEFORE JANUARY 1, 2003, THEREFORE, PART III OF SCHEDULE K IS NOT APPLICABLE TO THIS BOND

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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. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) 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	(d) Corrected? 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? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
Total			▶ $									

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CHERYL MARTIN	FAMILY RELATIONSHIP WITH OFFICER J GREGG MARTIN	158,552	COMPENSATION AS EMPLOYEE		No
(2) SYLVESTER OWENS	FAMILY RELATIONSHIP WITH KEY EMPLOYEE MICHELLE LOGAN-OWNES	92,125	COMPENSATION AS EMPLOYEE		No
(3) JOSEPH DURANT	FAMILY RELATIONSHIP WITH BOARD MEMBER KAY RAFFIELD	47,775	COMPENSATION AS EMPLOYEE		No
(4)					No
(5) SHARRY WILLIAMS	FAMILY RELATIONSHIP WITH BOARD MEMBER MITCH WILLIAMS	12,349	COMPENSATION AS EMPLOYEE		No

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	EACH YEAR THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A CONFLICT OF INTEREST POLICY QUEST IONNAIRE REQUIRING ALL PERSONS MANAGER AND ABOVE TO DISCLOSE ANY POSSIBLE CONFLICT OF INTE REST OFFICERS, KEY EMPLOYEES, AND TRUSTEES OF THE BOARD COMPLETE THIS QUESTIONNAIRE BEFO RE MAJOR VOTES AND DECISIONS, THE POLICY IS CONSIDERED AND ANY MEMBER WITH A CONFLICT IS E XCUSED FROM THE DISCUSSION OR VOTE DOCUMENTATION OF THE CONSIDERATION IS KEPT IN THE MINU TES
	FORM 990, PART VI, SECTION B, LINE 15	THE CEO REPORTS TO THE GOVERNING BOARD CEO COMPENSATION IS REVIEWED BY THE COMPENSATION/P ERSONNEL COMMITTEE OF THE BOARD AN INDEPENDENT HUMAN RESOURCES CONSULTING FIRM, INTEGRATE D HEALTHCARE STRATEGIES, PROVIDES COMPARATIVE DATA TO THE BOARD AND CEO FOR THE REVIEW OF THE CEO'S AND THE VICE PRESIDENTS'KEY OFFICERS' COMPENSATION
	FORM 990, PART VI, SECTION C, LINE 18	PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIV E OFFICE IN ADDITION, RECENT FILING OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW GUIDESTAR ORG
	FORM 990, PART VI, SECTION C, LINE 19	PHOTOCOPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FI NANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN PENSION OBLIGATION 13,992,568 INTERCOMPANY EQUITY TRANSFER -1,115,805 NET CHANGE IN TIMOTHY J TUOMEY TRUST 23,841

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
TUOMEY HEALTHCARE SYSTEM

Employer identification number
57-0343398

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) THE TUOMEY FOUNDATION 115 N SUMTER ST SUITE 120 SUMTER, SC 29150 57-1041691	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	
(2) TUOMEY MEDICAL PROFESSIONALS INC 129 NORTH WASHINGTON ST SUMTER, SC 29150 57-1012188	HEALTHCARE	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	
(3) TIMOTHY J TUOMEY TRUST 129 NORTH WASHINGTON ST SUMTER, SC 29150 23-7127466	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) Section 512 (b)(13) controlled entity? No
(1) TUOMEY PROFESSIONAL SERVICES LLC 129 NORTH WASHINGTON ST SUMTER, SC 29150 20-1691464	HEALTH CARE SERVICES	SC	N/A	C	11,367		100 000 %		No

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

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

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Additional Data Return to Form

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY HEALTHCARE SYSTEM

Schedule R (Form 990) 2012 Page 5

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount involved	(d) Method of determining amount involved
TUOMEY MEDICAL PROFESSIONALS	A	1,172,792	CASH
THE TUOMEY FOUNDATION	C	643,814	CASH
TUOMEY MEDICAL PROFESSIONALS	L	135,600	CASH
TUOMEY MEDICAL PROFESSIONALS	O	115,220	CASH
THE TUOMEY FOUNDATION	O	91,489	CASH
TUOMEY MEDICAL PROFESSIONALS	R	10,626,761	CASH
THE TUOMEY FOUNDATION	R	433,513	CASH

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TUOMEY AND AFFILIATE
D/B/A TUOMEY
HEALTHCARE SYSTEM

Consolidated Financial Statements and
Supplemental Schedules

September 30, 2013 and 2012

(with Independent Auditors'
Report thereon)

TUOMEY AND AFFILIATE
d/b/a Tuomey Healthcare System

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September 30, 2013 and 2012

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DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Trustees
Tuomey and Affiliate d/b/a Tuomey Healthcare System
Sumter, South Carolina

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Tuomey and Affiliate d/b/a Tuomey Healthcare System (the "System"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Praxity.

Board of Trustees
Tuomey and Affiliate d/b/a Tuomey Healthcare System

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tuomey and Affiliate d/b/a Tuomey Healthcare System as of September 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the consolidated financial statements, the System is a defendant in a qui tam lawsuit filed against it by a physician on its medical staff on behalf of the United States Government in the United States District Court for the District of South Carolina. Our opinion is not modified with respect to this matter.

Other Matter

Supplemental Schedules Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the System taken as a whole. The accompanying consolidating balance sheet information and consolidating statement of operation information are presented for purposes of additional analysis, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Dixon Hughes Goodman LLP

May 1, 2014

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets

	September 30 2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 5,959,746	$ 3,550,191
Patient accounts receivable, less allowance for uncollectible accounts of approximately $10,771,000 (2013) and $11,523,000 (2012)	28,557,571	28,365,547
Inventories of drugs and supplies	4,985,828	4,708,810
Prepaid expenses	4,843,073	4,903,179
Other current assets	6,370,191	5,914,127
Assets whose use is limited, required for current liabilities	3,229	3,221
Total current assets	50,719,638	47,445,075
Assets whose use is limited, excluding amounts required for current liabilities	105,357,020	116,848,948
Property, plant, and equipment, net	90,391,986	93,821,289
Deferred charges and other assets, net	1,840,372	2,384,325
Total assets	$ 248,309,016	$ 260,499,637

(continued)

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets (continued)

	September 30	
	2013	2012
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 10,428,042	$ 6,929,814
Accrued salaries, wages, and other current liabilities	10,920,857	10,944,219
Estimated third-party payor settlements	496,081	1,420,274
Current portion of accrued postretirement benefit obligation	214,800	160,900
Interest payable	1,658,749	1,682,482
Current portion of long-term debt	3,490,000	3,325,000
Total current liabilities	27,208,529	24,462,689
Long-term debt, less current portion	85,249,614	88,779,822
Accrued postretirement benefit obligation, less current portion	30,800,552	45,838,371
Other long-term liabilities	1,790,000	1,790,000
Total liabilities	145,048,695	160,870,882
Net assets		
Unrestricted	98,219,178	94,587,612
Permanently restricted	5,041,143	5,041,143
Total net assets	103,260,321	99,628,755
Total liabilities and net assets	$ 248,309,016	$ 260,499,637

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30 2013	2012
Unrestricted revenues and other support		
Patient service revenue (net of contractuals, adjustments and discounts)	$ 202,657,218	$ 199,383,399
Provision for bad debts	(12,983,581)	(10,278,906)
Net patient service revenue	189,673,637	189,104,493
Other operating revenue	7,642,387	2,994,681
Total unrestricted revenues and other support	197,316,024	192,099,174
Expenses		
Salaries and wages	87,592,675	82,783,192
Benefits	22,581,854	22,450,689
Physician fees	9,344,529	8,760,618
Other fees	15,858,170	13,636,547
Supplies	31,694,074	31,661,003
Utilities	3,099,785	3,074,162
Repairs and maintenance	6,868,769	6,988,325
Leases and rentals	3,769,285	3,746,142
Insurance	1,890,966	2,163,425
Interest	4,000,180	4,071,559
Depreciation and amortization	12,174,336	12,144,866
Hospital tax	5,215,813	5,369,869
Other	1,646,098	1,425,910
Total expenses	205,736,534	198,276,307
Loss from operations	(8,420,510)	(6,177,133)
Nonoperating gains (losses)		
Net investment income	5,407,646	7,127,915
Other nonoperating income	273,667	96,361
Other nonoperating expense	(7,621,805)	(3,523,677)
Total nonoperating gains (losses)	(1,940,492)	3,700,599
Deficit of revenues and gains over expenses and losses	(10,361,002)	(2,476,534)
Change in net postretirement benefit obligation	13,992,568	(9,832,133)
Increase (decrease) in net assets	3,631,566	(12,308,667)
Net assets at beginning of year	99,628,755	111,937,422
Net assets at end of year	$ 103,260,321	$ 99,628,755

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2013	2012
Operating activities		
Increase (decrease) in net assets	$ 3,631,566	$ (12,308,667)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	12,174,336	12,144,866
Provision for bad debts	12,983,581	10,278,906
Gain on sale and disposal of property, plant, and equipment	(73,494)	(1,299)
Change in net postretirement benefit obligation	(13,992,568)	9,832,133
Changes in operating accounts		
Patient accounts receivable	(13,175,605)	(11,375,584)
Estimated third-party payor settlements	(924,193)	1,424,883
Inventories of drugs and supplies	(277,018)	(242,947)
Prepaid expenses and other assets	15,282	(1,990,750)
Accounts payable	3,228,848	(205,677)
Accrued salaries, wages, and other current liabilities	(23,362)	1,269,260
Interest payable	(23,733)	(115,445)
Accrued postretirement benefit obligation	(991,351)	(664,714)
Net cash provided by operating activities	2,552,289	8,044,965
Investing activities		
Purchase of property, plant, and equipment	(8,383,148)	(7,338,805)
Proceeds received on sale and disposal of property, plant, and equipment	73,494	6,870
Net changes in assets whose use is limited	11,491,920	(3,185,274)
Net cash provided by (used by) investing activities	3,182,266	(10,517,209)
Financing activities		
Repayment of long-term debt	(3,325,000)	(3,165,000)
Net cash used in financing activities	(3,325,000)	(3,165,000)
Increase (decrease) in cash and cash equivalents	2,409,555	(5,637,244)
Cash and cash equivalents at beginning of year	3,550,191	9,187,435
Cash and cash equivalents at end of year	$ 5,959,746	$ 3,550,191
Supplemental disclosure of noncash capital and financing activity		
Cash paid for interest during the year	$ 4,064,121	$ 4,227,211
Property, plant, and equipment included in accounts payable	$ 269,380	$ 84,295

The accompanying notes are an integral part of these consolidated financial statements

TUOMEY AND AFFILIATE
d/b/a Tuomey Healthcare System

Notes to the Consolidated Financial Statements

September 30, 2013 and 2012

1 **Significant Accounting Policies**

Organization and Principles of Consolidation - The consolidated financial statements of Tuomey and Affiliate d/b/a Tuomey Healthcare System (the "System") include the accounts of Tuomey, formerly known as Tuomey Regional Medical Center (the "Medical Center"), and its Affiliate, Tuomey Medical Professionals, Inc ("TMP") The Medical Center is a not-for-profit acute care hospital located in Sumter, South Carolina TMP was established by the Medical Center and consists of a group of physician practices that participate in the integrated health care delivery system

All significant intercompany accounts and transactions have been eliminated in consolidation

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents - Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less when purchased, excluding amounts whose use is limited by Board designation or funds held under trust agreements

The System maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation ("FDIC") At times throughout the year, the System may maintain bank balances in excess of the FDIC insured limits It is management's opinion that the System is not exposed to any significant credit risk related to cash

Patient Accounts Receivable - Patient accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of patient accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts For patient receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for contractual adjustments For patient receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard charges and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Inventories of Drugs and Supplies - Inventories consisting of drugs and supplies are stated at the lower of cost, determined on the first-in, first-out ("FIFO") method, or market value

Investments - Investments in equity securities with readily determinable fair values, all investments in debt securities, and all pooled investments are measured at fair value in the consolidated balance sheets The System adopted the provisions of the *Fair Value Option for Financial Assets and Liabilities* As a result, investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law

Assets Whose Use Is Limited - Assets whose use is limited include assets held by trustees under indenture or escrow agreements, designated assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets restricted by a donor Amounts required to meet current liabilities of the System have been reclassified in the consolidated balance sheets and are included in current assets

Property, Plant, and Equipment - Property, plant, and equipment are recorded at cost or, if contributed, at fair value at date of contribution The cost of the depreciable assets is being amortized on the straight-line method over their estimated useful lives as recommended by the American Hospital Association Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets

The System periodically assesses the net realizable value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount For assets to be disposed of or sold, any resulting gains and losses are reported in income from operations

Deferred Charges and Other Assets - Deferred charges and other assets consist primarily of bond issuance costs and other receivables

Bond issuance costs are amortized over the respective lives of the bond issues Accumulated amortization at September 30, 2013 and 2012 was approximately $888,000 and $796,000, respectively

Bond Issue Discounts and Premiums - Bond issue discounts and premiums are amortized using the effective interest rate method over the respective lives of the bond issues Bond issue discounts and premiums are included in long-term debt on the consolidated balance sheets

Net Assets - A substantial portion of the System's net assets are classified as unrestricted for accounting and reporting purposes These resources have no donor restrictions as to use or purpose These resources include amounts generated from operations, undesignated gifts, and investments in property, plant, and equipment Permanently restricted net assets that have been restricted by donors are to be maintained by the System in perpetuity

Consolidated Statements of Operations and Changes in Net Assets - For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenues and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses Investment income or loss, unrestricted gifts, and bequests are recorded as nonoperating activities

Deficit of Revenues and Gains Over Expenses and Losses - The consolidated statements of operations and changes in net assets include deficit of revenues and gains over expenses and losses which is considered by the System to be its operating indicator Changes in unrestricted net assets which are excluded from deficit of revenues and gains over expenses and losses, consistent with industry practice, include permanent transfers of assets to and from Affiliate, changes in the pension obligation, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Net Patient Service Revenue - The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of discounted rates On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided

Charity Care - The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue or patient accounts receivable in the accompanying consolidated financial statements The amounts of direct and indirect costs foregone for services and supplies furnished under the System's charity care policy totaled approximately $10,763,000 and $12,756,000 for the years ended September 30, 2013 and 2012, respectively The System uses the cost to charge ratio to estimate the cost of charity care

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated asset When a donor restriction expires (i e , when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Pension Costs - The System's funding policy is to contribute amounts sufficient to meet the minimum funding requirements as set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"), plus such additional amounts as the System may determine to be appropriate

Functional Expenses - The System does not present expense information by functional classification because its resources and activities are primarily related to providing health care services Further, since the System receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered more important in evaluating how well management has discharged its stewardship responsibilities

Income Taxes - The Medical Center and TMP are exempt from income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code, accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes The System has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2013 Fiscal years ending on or after September 30, 2010 remain subject to examination by federal and state tax authorities

Risk Management - The System is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, and natural disasters Commercial insurance coverage is purchased for claims arising from such matters

Reclassification – Certain items in the 2012 financial statements have been reclassified to conform to the 2013 presentation

2 Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare—Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are reimbursed on a prospective payment system, called the Ambulatory Payment Classification System ("APCS") The System's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2009

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed using a payment per discharge system with the case-mix adjustments based on a Diagnosis Related Group ("DRG") system Outpatient Medicaid services are reimbursed at a certain percentage of allowable costs The System is reimbursed at a tentative rate with final settlement determined after it submits its annual Medicaid cost report The System's Medicaid cost reports have been audited by the Medicaid program through September 30, 2004 Additionally, the Medicaid cost report for the year ended September 30, 2010 has been audited by the Medicaid Program

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The bases for payments to the System under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Revenue from the Medicare and Medicaid programs accounted for approximately 60 percent and 57 percent of the System's net patient service revenue, respectively, for the years ended September 30, 2013 and 2012 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term The filed cost reports are subject to audits, reviews, and investigations The 2013 net patient service revenue decreased approximately $222,000 due to changes in the allowances previously estimated for tentative cost report settlements The 2012 net patient service revenue increased approximately $141,000 due to changes in the allowances previously estimated for tentative cost report settlements

Patient service revenue, net of contractual adjustments and discounts, but before the provision for bad debts, recognized in the period from these major payor sources is as follows for the year ended September 30, 2013

	Third-Party Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual adjustments and discounts)	$ 202,246,733	$ 410,485	$ 202,657,218

Contractual adjustments related to Medicare and Medicaid programs and other deductions as well as the provision for bad debts were deducted from gross patient service charges to arrive at net patient service revenue as follows

	2013	2012
Gross patient service charges	$ 625,213,081	$ 550,469,927
Deductions from gross patient service charges		
Medicare and Medicaid contractual adjustments	276,747,845	225,867,575
Other deductions	145,808,018	125,218,953
Provision for bad debts	12,983,581	10,278,906
Total deductions from gross patient service charges	435,539,444	361,365,434
Net patient service revenue	$ 189,673,637	$ 189,104,493

During 2013 and 2012, the System received monies under the Medicaid Disproportionate Share Pool Program (the "Program") Under the Program, the System received payments totaling approximately $7,361,000 and $8,304,000 in 2013 and 2012, respectively These amounts are reflected as a reduction of Medicaid contractual adjustments The revenue received under the Program is determined by state Medicaid guidelines, which are subject to change, thereby causing volatility in the revenue received under the Program Payments of disproportionate share funds in the future may be impacted by Medicaid reform initiatives The Program contains a provision requiring the repayment of disproportionate funds received if the participating hospital is determined to be ineligible

The System recognizes revenue for incentives earned under the HITECH Meaningful Use Electronic Health Records ("EHR") Medicare program in the period in which it is reasonably assured that it will comply with the applicable EHR meaningful use requirements Incentive revenues are recognized ratably over the applicable meaningful use demonstration period Incentive payments received under the Medicare program include a discharge-related portion, which is calculated by Centers for Medicare & Medicaid Services ("CMS") based on the System's most recently filed cost report Such amounts are subject to adjustment at the time of settling the 12-month cost report for the System's fiscal year that begins after the beginning of the payment year

As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The EHR funding received is subject to CMS audit The results of that audit and settlement could result in a potential payback in future periods

The System achieved compliance with the Year I meaningful use requirements under the Medicare program during fiscal year 2013 The System recognized other revenues of approximately $2,188,000 on the Consolidated Statements of Operations and Changes in Net Assets for the year ended September 30, 2013 The System achieved compliance with the Year I meaningful use requirements under the Medicaid program during fiscal year 2013 The System recognized other revenues of approximately $1,197,000 on the Consolidated Statements of Operations and Changes in Net Assets for the year ended September 30, 2013

3 **Property, Plant, and Equipment**

Property, plant, and equipment consist of the following at September 30

	2013	2012
Land	$ 9,419,642	$ 9,419,642
Land improvements	872,024	872,678
Buildings	44,263,023	44,518,286
Building service equipment	83,310,799	83,426,827
Equipment	46,453,858	42,833,477
	184,319,346	181,070,910
Less accumulated depreciation	95,501,363	87,874,631
	88,817,983	93,196,279
Construction in progress	1,574,003	625,010
	$ 90,391,986	$ 93,821,289

Depreciation expense for the years ended September 30, 2013 and 2012 was approximately $12,082,000 and $12,052,000, respectively.

4 **Assets Whose Use Is Limited**

The composition of assets whose use is limited at September 30 is set forth in the following table

	2013	2012
Board designated		
Common trust funds	$ 76,731,144	$ 88,384,913
Cash and cash equivalents	32,879	71,369
U S treasury bonds and notes	160,788	114,816
U S government agencies	131,439	160,756
Mutual funds	185,933	92,907
Life insurance annuity	303,222	214,580
Equities	390,762	279,739
Corporate obligations	204,793	148,738
	$ 78,140,960	$ 89,467,818

Funds held by Trustee		
Cash and cash equivalents	$ 237,541	$ 185,157
Money market funds	-	215,026
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000
U S treasury bonds and notes	5,500,605	5,503,025
	22,178,146	22,343,208
Restricted by donor		
Cash and cash equivalents	117,572	332,236
U S treasury bonds and notes	574,936	534,491
U S government agencies	469,993	748,352
Mutual funds	664,849	432,502
Life insurance annuity	1,084,243	998,915
Equities	1,397,264	1,302,242
Corporate obligations	732,286	692,405
	5,041,143	5,041,143
	$ 105,360,249	$ 116,852,169

Net investment income is comprised of the following for the years ended September 30

	2013	2012
Interest and dividend income	$ 748,297	$ 524,686
Net realized and unrealized gains on investments	3,366,639	5,117,575
Other investment income	1,292,710	1,485,654
Net investment income	$ 5,407,646	$ 7,127,915

5. **Capital Contribution Campaign**

The Tuomey Foundation Board of Governors voted in December 2005 to embark on a two year capital campaign for the creation of a free standing women's center which would expand and enhance the nurseries and increase the number of beds at the System from 266 to 301 The campaign had raised a total of approximately $2,198,000 as of September 30, 2013 At September 30, 2013 and 2012, approximately $592,000 and $613,000, respectively, of pledge receivables was included in other assets on the consolidated balance sheets

6. **Long-Term Debt**

A summary of long-term debt at September 30 is as follows

	2013	2012
Hospital Revenue Bonds		
Series 2008		
Variable rate bonds maturing 2021 to 2025, bearing interest determined weekly, payable semi-annually	$ 16,440,000	$ 16,440,000
Series 2006		
Term bonds maturing 2005 to 2035, bearing interest from 4 00% to 5 00%, payable semi-annually	50,205,000	52,925,000
Series 1998		
Term bonds maturing 2005 to 2026, bearing interest from 4 30% to 5 00%, payable semi-annually	20,955,000	21,560,000
Add (deduct) unamortized original issue premium/discount		
Series 2006 term bonds	1,552,009	1,624,775
Series 1998 term bonds	(412,395)	(444,953)
Total long-term debt	88,739,614	92,104,822
Less current portion	3,490,000	3,325,000
	$ 85,249,614	$ 88,779,822

During 1998, the Hospital Revenue Bonds, Series 1998 ("Series 1998") were issued by the South Carolina Jobs-Economic Development Authority The Series 1998 are limited obligations of the South Carolina Jobs-Economic Development Authority and are payable and secured solely from the receipts and revenues of the System The Series 1998 bonds are insured by Ambac Assurance Corporation The Series 1998 bonds began to mature in 2005 and are subject to redemption rates at 100% of par value after November 1, 2010 The principal and sinking fund payments on the Series 1998 maturing in 2018 and 2026 are due on November 1 of each year as follows $645,000 in 2014, $680,000 in 2015, $720,000 in 2016, $755,000 in 2017, $800,000 in 2018 and $17,355,000 thereafter

On January 6, 2006, the Medical Center issued $74,505,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2006 ("Series 2006") The proceeds of the Series 2006 bonds were used to refund in advance of their maturities the Series 1995A bonds, finance the expansion of the patient tower, fund a debt service reserve fund, pay in trust on the Series 2006 bonds through November 1, 2007, and finance certain costs of issuance, including a premium for bond issuance The Series 2006 bonds are secured by a pledge of revenues of the System and a mortgage in the Medical Center property The Series 2006 bonds maturing on November 1, 2030 and November 1, 2035 are subject to a mandatory sinking fund redemption

beginning in years 2027 through 2035, ranging in amounts from $2,795,000 to $4,055,000 The Series 2006 bonds are insured by CIFG Assurance North America

On December 1, 2008, the Medical Center issued $16,440,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2008 ("Series 2008") The proceeds of the Series 2008 bonds were used to refund in advance of their maturities the Series 1995B bonds During 2010, the System repurchased the $16,440,000 Series 2008 bonds The Series 2008 bonds are held in assets whose use is limited on the consolidated balance sheets

Pursuant to its respective bond indentures and loan agreements, the Medical Center is subject to certain restrictive covenants, including maintaining a specific ratio of income available for debt service to maximum annual debt service, limiting the amount of additional indebtedness, and restrictions on the disposal of fixed assets In addition, the financing agreements contain restrictions or limitations with respect to indebtedness, property encumbrance, consolidation, or merger and transfer of assets, and, the Medical Center has agreed that it will not create any lien upon its property, accounts, or revenue now owned or hereafter acquired other than "permitted liens" as described in the loan documents

The maturities of long-term debt are as follows

Maturity Date	2008 Bonds	2006 Bonds	1998 Bonds
2014	$ -	$ 2,845,000	$ 645,000
2015	-	2,985,000	680,000
2016	-	3,130,000	720,000
2017	-	3,285,000	755,000
2018	-	3,445,000	800,000
Thereafter	16,440,000	34,515,000	17,355,000
	$ 16,440,000	$50,205,000	$20,955,000

Interest paid amounted to approximately $4,064,000 and $4,227,000 in 2013 and 2012, respectively

7 Pension Plan

The System follows the provisions of *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans* and its application is fully reflected in the consolidated financial statements The pronouncement requires the funding deficit or surplus of pension and postretirement benefit plans to be recognized in the sponsoring employer's consolidated balance sheet, with a corresponding adjustment to unrestricted net assets The adjustment to unrestricted net assets at adoption represents the net unrecognized actuarial losses, unrecognized prior service costs and unrecognized transition obligations which were previously netted against the plan's funded status in the consolidated balance sheet These amounts will be subsequently recognized as a net periodic benefit cost pursuant to the Systems' historical accounting policy for amortizing such

amounts Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets Those amounts will be subsequently recognized as a component of net periodic benefit cost on the same basis as the amounts recognized in unrestricted net assets upon adoption of the provisions

Effective December 31, 2009, the System froze its Defined Benefit Plan and replaced it with a Defined Contribution Plan No further benefits will accrue to the employees after December 31, 2009

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2013	2012
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 83,618,034	$ 72,147,936
Interest cost	3,153,910	3,298,306
Actuarial (gain)/loss	(11,820,182)	9,953,195
Benefits paid	(2,027,606)	(1,781,403)
Benefit obligation at end of year	72,924,156	83,618,034
Change in plan assets		
Fair value of plan assets at beginning of year	50,882,263	44,447,684
Actual return on plan assets	4,711,187	6,683,631
Benefits paid	(2,027,606)	(1,781,403)
Employer contributions	1,965,760	1,532,351
Fair value of plan assets at end of year	55,531,604	50,882,263
Funded status of the plan	$ (17,392,552)	$ (32,735,771)

	2013	2012
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	4 76%	3 82%
Rate of annual compensation increases	N/A	N/A
Measurement date	9/30/2013	9/30/2012
Used to determine net periodic benefit cost		
Discount rate	3 82%	4 63%
Rate of increase in compensation levels	N/A	N/A
Expected long-term rate of return on assets	7 75%	8 00%
Measurement date	9/30/2013	9/30/2012
Net periodic benefit cost		
Interest cost	$ 3,153,910	$ 3,298,306
Expected return on plan assets	(3,929,762)	(3,534,142)
Amortization of actuarial loss	652,961	481,873
Net periodic pension (income)/cost	$ (122,891)	$ 246,037

Asset Allocation	Target Allocation	Percentage of Plan Assets as of September 30, 2013	September 30, 2012
Cash and cash equivalents	3%	1%	1%
Fixed income securities	35	43	47
Equity securities	62	56	52
Total	100%	100%	100%

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2013

	Fair Value Measurements at September 31, 2013 using			
	Fair value at September 30, 2013	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Total
Assets measured at fair value				
Money market funds	$ 316,486	$ 316,486	$ --	$ --
Fixed income securities				
U S treasury bonds	5,802,003	5,802,003	--	--
U S corporate bonds	17,988,840	17,988,840	--	--
Equities				
Exchange traded	2,695,940	2,695,940	--	--
U S large cap	25,342,164	25,342,164	--	--
U S small cap	1,358,752	1,358,752	--	--
International	2,027,419	2,027,419	--	--
Total assets at fair value	$ 55,531,604	$ 55,531,604	$ --	$ --

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2012

	Fair Value Measurements at September 31, 2012 using			
	Fair value at September 30, 2012	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Total
Assets measured at fair value				
Money market funds	$ 695,969	$ 695,969	$ --	$ --
Fixed income securities				
U S treasury bonds	6,246,580	6,246,580	--	--
U S corporate bonds	17,810,377	17,810,377	--	--
Equities				
Exchange traded	20,092,920	20,092,920	--	--
U S large cap	1,617,645	1,617,645	--	--
U S small cap	1,561,760	1,561,760	--	--
International	2,857,012	2,857,012	--	--
Total assets at fair value	$ 50,882,263	$ 50,882,263	$ --	$ --

Investment Policy and Strategy - The System's policy, as established by the Pension Committee, is to provide for growth of capital with a moderate level of volatility by investing in a balanced portfolio The actual asset allocation of the overall plan assets, as well as the performance of the individual managers, is reviewed by the Pension Committee on a quarterly basis

Determination of Expected Long-Term Rate of Return - The plan's long-term rate of return assumption of 7 75% is based on expectations regarding each asset category and average long-term rate of returns for a portfolio allocated across these categories

Contributions – Expected contributions for the fiscal year ending September 30, 2014 are approximately $2,268,706

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid as follows

2014	$ 2,516,389
2015	2,634,770
2016	2,806,884
2017	3,014,831
2018	3,260,413
2019 – 2023	19,389,926
	$ 33,623,213

8 Postretirement Benefits

In addition to the System's noncontributory defined benefit pension plan, the System sponsors a defined benefit health care plan that provides postretirement medical and dental benefits to eligible employees and/or dependents The availability of group coverage for Medicare eligible retirees varies by employee group with coverage designed either to supplement or coordinate with Medicare Retirees must pay a portion of the cost of the coverage

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2013	2012
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 13,263,500	$ 9,131,600
Service cost	652,400	422,600
Interest cost	540,500	436,700
Plan participants' contributions	225,900	222,300
Medicare Part D reimbursements	103,000	(13,700)
Actuarial (gain)/loss	(612,500)	3,453,100
Benefits paid	(550,000)	(389,100)
Benefit obligation at end of year	13,622,800	13,263,500

Change in plan assets		
Fair value of plan assets at beginning of year		
Employer contributions	$ 221,100	$ 180,500
Medicare Part D reimbursements	103,000	(13,700)
Plan participants' contributions	225,900	222,300
Benefits paid	(550,000)	(389,100)
Fair value of plan assets at end of year	-	-
Funded status of the plan	$ (13,622,800)	$ (13,263,500)

	2013	2012
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	5 09%	4 10%
Initial medical trend rate	7 50%	8 00%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	5	6
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2013	9/30/2012
Used to determine net periodic benefit cost		
Discount rate	4 10%	4 82%
Initial medical trend rate	8 00%	8 50%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	6	7
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2012	9/30/2011

	2013	2012
Net periodic benefit cost		
Service cost	$ 652,400	$ 422,600
Interest cost	540,500	436,700
Amortization of prior service costs	(338,700)	(338,600)
Amortization of actuarial loss	464,200	281,400
Net periodic pension cost	$ 1,318,400	$ 802,100

The medical trend rate assumption has a significant effect on the amounts reported For example, increasing the assumed medical trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of September 30, 2013 by approximately $3,512,500 and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for the year ended September 30, 2013 by approximately $411,700

Contributions - Expected contributions for the fiscal year ending September 30, 2014 are approximately $220,200

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid net of employee contributions as follows

2014	$ 285,200
2015	310,000
2016	338,500
2017	374,400
2018	416,600
2019 – 2023	3,077,900
	$ 4,802,600

9 Other Employee Benefits

The System has a retirement savings plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate on their first date of employment The System determines its contribution to the 403(b) plan based on employee contribution levels, years of service, and hours worked As of September 30, 2013 and 2012, the System has accrued approximately $2,012,000 and $2,475,000, respectively, in accrued salaries, wages, and other current liabilities on the consolidated balance sheets for plan contributions

In addition to the System's noncontributory defined benefit pension plan, 403(b) plan, and medical and dental postretirement benefits, the System also sponsors a 457(f) plan for executives As of September 30, 2013 and 2012, approximately $1,999,000 and $1,898,000, respectively, is included in the Systems' other current assets on the consolidated balance sheets No liabilities were recorded because certain eligibility requirements have not been met

10 Foundation

The Tuomey Foundation (the "Foundation") was created for the sole benefit of the System and has a calendar year end. The summarized unaudited financial information of the Foundation as of the years September 30, 2013 and 2012 are as follows

	2013	2012
Total assets	$ 5,860,739	$ 4,627,342
Total liabilities	1,720,638	832,231
Net assets	4,140,101	3,795,111
Revenues	1,070,962	931,503
Expenses	725,907	772,830
Revenues over expenses	$ 345,055	$ 158,673

As of September 30, 2013 and 2012, the Foundation owed approximately $982,000 and $845,000, respectively, to the System for items purchased on the Foundation's behalf and pledges received by the Foundation for the System These receivables are recorded in other current assets on the System's consolidated balance sheets

11 Concentrations of Credit Risk

Financial instruments that potentially subject the System to a concentration of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable from patients and third-party payors It is management's opinion that the System is not exposed to any significant credit risk related to cash Concentration of credit risk with respect to patient accounts receivable is managed by an in-house credit staff Third-party payors are primarily Medicare and Medicaid which provide reimbursement on patient accounts on a regular basis Managed care receivables are distributed among several primary payors The creditworthiness of managed care payors is considered by the System prior to entering into an agreement with the payor

The System grants credit, without collateral to its patients, most of whom are local residents and insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30 was as follows

	2013	2012
Medicare	37%	37%
Medicaid	21	18
Blue Cross	14	16
Patient	15	19
Other	13	10
	100%	100%

12 Commitments and Contingencies

Operating Leases - The System leases certain equipment and facilities used in its operations under operating leases, which have noncancelable terms in excess of one year Total rent expense in 2013 and 2012 for all operating leases was approximately $3,769,000 and $3,746,000, respectively These leases, which have been accounted for as operating leases, have future minimum annual lease payments as follows

2014	$ 2,025,340
2015	1,709,582
2016	1,418,720
2017	1,035,501
2018	986,104
Thereafter	5,310,219
	$ 12,485,466

Medical Malpractice Claims - The System participates in a multiprovider captive for professional and general liability insurance coverage on a claims made basis The System's premiums are accrued based on the experience to date of the participating health care providers The System would be subject to retroactive premium adjustments should the captive's loss experience exceed premiums

The System has an irrevocable letter of credit in favor of the captive at September 30, 2013 of $408,937 The letter of credit expires November 19, 2014 There were no borrowings under the letter of credit at September 30, 2013 or 2012

Malpractice claims have been asserted against the System by various claimants, and additional claims could be asserted for incidents occurring through September 30, 2013 At September 30, 2013 and 2012, management is aware of no significant claims that are not adequately covered by insurance or that would have a material adverse effect on the consolidated balance sheet of the System An accrual has been established for an estimate of incurred but not reported claims in accrued salaries, wages, and other current liabilities on the consolidated balance sheets

Litigation - The System is involved in litigation and regulatory investigations arising in the normal course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's consolidated balance sheet or consolidated statement of operations and changes in net assets

The System is a defendant in a qui tam lawsuit filed against it by a physician on its medical staff on behalf of the United States Government in the United States District Court for the District of South Carolina The Government subsequently intervened in this suit The Government contends that certain part-time employment contracts between the System and physicians on its medical staff that were in effect from 2005-2010 violated the so-called Stark Law (42 U S C §1395nn), and thus resulted in the System filing claims for reimbursement from Medicare and other federal health care programs in violation of the False Claims Act In the first trial in this matter in 2010, a jury rendered a verdict that the System did not violate the False Claims Act

Subsequent to the jury verdict in favor of the System, the Court awarded the Government a judgment on its equitable claims in the amount of $44,888,651, plus pre judgment interest of $4,040,134, with post-judgment interest of $5,123 per day The Court also granted the Government a new trial on its False Claims Act claims In 2012, the Fourth Circuit Court of Appeals reversed the trial court's judgment and the money paid by the System into escrow was refunded to the System, with interest

A second trial on the Government's False Claims Act claims was held in 2013 On May 8, 2013, the jury found that the System violated the Stark Law and the False Claims Act, and found that the System had submitted 21,730 claims in violation of the False Claims Act with a total monetary value of $39,313,065 The Court denied the System's post-trial motions, and on October 2, 2013, the Court entered judgment in favor of the Government in the amount of $237,454,195 on its False Claims Act claims, which equals three times the amount of monetary value determined by the jury plus statutory penalties of $5,500 per claim times the 21,730 claims that the jury determined were submitted in violation of the False Claims Act The Court also awarded the Government post-judgment interest at the rate of 10 %, along with costs

The System has filed an appeal of this judgment with the Fourth Circuit, and has also renewed its appeal of the Court's 2010 order granting the Government a new trial Those appeals are pending before the Fourth Circuit and are expected to be argued some time in 2014 The System has also filed a Motion with the District Court to stay its judgment pending appeal, which motion is presently pending before the District Court

The System also entered into an escrow agreement with the Government on October 15, 2013 Pursuant to this escrow agreement, $50,000,000 was placed into escrow with Regions Bank as escrow agent In return for placing this money in escrow, the Government agreed to forbear collection efforts on its judgment for a period of time while the parties attempted to settle the agreement (which period expired on December 20, 2013) and thereafter until 14 days following denial of the System Motion to Stay with the District Court or 14 days after the denial of the System's motion for supersedes with the Fourth Circuit if the District Court denied the motion to stay

On April 9, 2014, the District Court granted the System's motion to stay, contingent upon the System obtaining a supersedeas bond or equivalent in the amount of $30,000,000 within ten days of that date and upon the System and the government entering into a $40,000,000 escrow agreement composed of similar mutually-agreeable terms as entered into between the parties in 2010

The System was financially unable to comply with the District court's stay order Therefore, on April 22, 2014, the System filed a motion to stay with the Fourth Circuit Court of Appeals requesting a stay, and if a bond is required, requesting that the Court permit the System to deposit $30,000,000 in an interest bearing account with the Court, conditioned upon the Government being required to elect between executing against this deposit in lieu of pursuing any recoupment and/or setoff rights the Government may have in the event that the District court's judgment is affirmed The 4th Circuit ordered the government to respond to the motion by May 19, 2014

Although the results of the litigation are not finalized, the System has included an estimated obligation of $1,790,000 in other long-term liabilities as of September 30, 2013 and 2012 As a result of the appeal and possible new trial, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term

Industry Regulation - The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulation by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services billed

13 **Related Party Transactions**

The System pays rent to a real estate company that employs the Systems' chairman of the board The payments to the real estate company were approximately $113,000 and $123,000 for 2013 and 2012, respectively The System also has physicians that serve on the board that provide medical services totaling approximately $460,000 and $501,000 for 2013 and 2012, respectively

14 **Endowment Funds**

The Medical Center's endowment consists of one donor-restricted endowment fund

Interpretation of Relevant Law -The Board of Trustees of the Medical Center has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Medical Center classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment

In accordance with SPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Changes in Endowment Net Assets – The change in endowment net assets for the year ended September 30, 2013 is as follows

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 1,082,905	$ 5,041,143	$ 6,124,048
Investment income, net	401,911	-	401,911
Distribution	(75,000)	-	(75,000)
Endowment net assets, end of year	$ 1,409,816	$ 5,041,143	$ 6,450,959

The change in endowment net assets for the year ended September 30, 2012 is as follows

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 482,552	$ 5,041,143	$ 5,523,695
Investment income, net	675,353	-	675,353
Distribution	(75,000)	-	(75,000)
Endowment net assets, end of year	$ 1,082,905	$ 5,041,143	$ 6,124,048

15 **Fair Value of Financial Instruments**

The *Fair Value Measurements* Standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements The provision does not require any new fair value measurements, but clarifies and standardizes some divergent practices that have emerged since prior guidance was issued The provision creates a three-level hierarchy under which individual fair value estimates are to be ranked based on the relative reliability of the inputs used in the valuation

The provision defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date When determining the fair value measurements for assets and liabilities, the System considers the principal or most advantageous market in which those assets or liabilities are sold and considers assumptions that market participants would use when pricing those assets or liabilities Fair values determined using level 1 inputs rely on active and observable markets to price identical assets or liabilities In situations where identical assets and liabilities are not traded in active markets, fair values may be determined based on level 2 inputs, which exist when observable data exists for similar assets and liabilities Fair values for assets and liabilities that are not actively traded in observable markets are based on level 3 inputs, which are considered to be unobservable

Among the System's assets were various investments that were reported at their fair values on a recurring basis

For assets carried at fair value, the following tables provide fair value information as of September 30, 2013 and 2012

	Fair Value Measurements at September 31, 2013 using			
	Fair value at September 30, 2013	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Total
Assets measured at fair value				
Common trust funds	$ 76,731,144	$ --	$ 76,731,144	$ --
Money market funds				
Proprietary indexed	251,496	251,496	--	--
Mid cap	478,251	478,251	--	--
Small cap	121,035	121,035	--	--
U S treasury bonds and notes	6,236,329	6,236,329	--	--
U S government agencies	601,432	601,432	--	--
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	--	--
Equities				
Proprietary indexed	248,461	248,461	--	--
Large cap	1,520,060	1,520,060	--	--
Mid cap	19,505	19,505	--	--
Corporate obligations	937,079	937,079	--	--
Total assets at fair value	$ 103,584,792	$ 26,853,648	$ 76,731,144	$ --

Assets whose use is limited, described in Note 4, are held at fair value and included in the table above except cash and cash equivalents totaling $387,992 and life insurance annuities totaling $1,387,465

	Fair Value Measurements at September 31, 2012 using			
	Fair value at September 30, 2013	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Total
Assets measured at fair value				
Money market funds	$ 215,026	$ 215,026	$ --	$ --
Common trust funds	88,384,913	--	88,384,913	--
U S equity mutual funds	525,409	525,409	--	--
U S treasury bonds and notes	6,152,332	6,152,332	--	--
U S government agencies	909,108	909,108	--	--
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	--	--
Equities				
Large cap	1,543,488	1,543,488	--	--
Mid cap	38,493	38,493	--	--
Corporate obligations	841,143	841,143	--	--
Total assets at fair value	$ 115,049,912	$ 26,664,999	$ 88,384,913	$ --

Assets whose use is limited, described in Note 4, are held at fair value and included in the table above except cash and cash equivalents totaling $588,762 and life insurance annuities totaling $1,213,495

Prices for money market funds, mutual funds, U S treasury bonds and notes, U S government agencies, 2008 Series Revenue and Refunding bonds, equities, and corporate obligations are readily available in the active markets in which those securities are traded, and the resulting fair values are shown in the 'Level 1 input' column The System has determined that small cap equities have market capitalization less than $2 billion, Mid cap equities have market capitalization of between $2 billion and $10 billion, and large cap have market capitalization over $10 billion Common trust funds are not traded on active markets, and therefore the resulting fair values are shown in the 'Level 2 input' column

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments

- *Cash and cash equivalents* The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents approximate their fair value
- *Assets whose use is limited* These assets consist primarily of cash, investments, and interest receivable As discussed in Note 1, the carrying values of investments at September 30, 2013 and 2012 approximate their fair value
- *Accounts payable and accrued expenses* The carrying amounts reported in the consolidated balance sheets for accounts payable and accrued expenses approximate their fair value
- *Estimated third-party payor settlements* The carrying amounts reported in the consolidated balance sheets for these settlements approximate their fair value
- *Long-term debt* Fair values for the 1998, 2006, and 2008 Bonds are based on estimates using present value techniques These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, prepayments, and estimates of future cash flows, future expected loss experience, and other factors Changes in assumptions could significantly affect these estimates Derived fair value estimates cannot be substantiated by comparison of independent markets and, in many cases, may or may not be realized in an immediate sale of the instrument The fair value of the 1998, 2006, and 2008 Bonds, described in Note 6, is estimated to be approximately $88,654,000 at September 30, 2013

16 Subsequent Events

Subsequent events have been evaluated through May 1, 2014, which is the date the consolidated financial statements were available to be issued

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information

September 30, 2013

	Medical Center	TMP	Consolidation/ Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 5,940,179	$ 19,567	$ -	$ 5,959,746
Patient accounts receivable, less allowance for uncollectible accounts of approximately $10,771,000	26,615,869	1,941,702	-	28,557,571
Inventories of drugs and supplies	4,985,828	-	-	4,985,828
Prepaid expenses	4,551,550	291,523	-	4,843,073
Other current assets	36,311,431	511,191	(30,452,431)	6,370,191
Assets whose use is limited, required for current liabilities	3,229	-	-	3,229
Total current assets	78,408,086	2,763,983	(30,452,431)	50,719,638
Assets whose use is limited, excluding amounts required for current liabilities	105,357,020	-	-	105,357,020
Property, plant and equipment, net	89,684,229	707,757	-	90,391,986
Deferred charges and other assets, net	1,840,372	-	-	1,840,372
Total assets	$ 275,289,707	$ 3,471,740	$ (30,452,431)	$ 248,309,016

(continued)

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information (continued)

September 30, 2013

	Medical Center	TMP	Consolidation/ Eliminations	Total
Liabilities and Net Assets				
Current liabilities				
Accounts payable	$ 10,217,166	$ 210,876	$ –	$ 10,428,042
Accrued salaries, wages and other current liabilities	10,135,136	31,238,152	(30,452,431)	10,920,857
Estimated third-party payor settlements	496,081	–	–	496,081
Current portion of accrued postretirement benefit obligation	214,800	–	–	214,800
Interest payable	1,658,749	–	–	1,658,749
Current portion of long-term debt	3,490,000	–	–	3,490,000
Total current liabilities	26,211,932	31,449,028	(30,452,431)	27,208,529
Long-term debt, less current portion	85,249,614	–	–	85,249,614
Accrued postretirement benefit obligation, less current portion	30,800,552	–	–	30,800,552
Other long-term liabilities	1,790,000	–	–	1,790,000
Total liabilities	144,052,098	31,449,028	(30,452,431)	145,048,695
Net assets				
Unrestricted	126,196,466	(27,977,288)	–	98,219,178
Permanently restricted	5,041,143	–	–	5,041,143
Total net assets	131,237,609	(27,977,288)	–	103,260,321
Total liabilities and net assets	$ 275,289,707	$ 3,471,740	$ (30,452,431)	$ 248,309,016

See Independent Auditors' Report

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

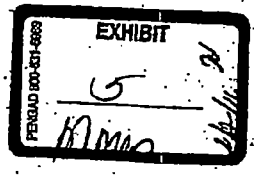
Consolidating Statement of Operations Information
for the year ended
September 30, 2013

	Medical Center	TMP	Consolidation/ Eliminations	Total
Unrestricted revenues and other support				
Patient service revenue (net of contractuals, allowances and discounts)	$ 187,479,994	$ 15,222,594	$ (45,370)	$ 202,657,218
Provision for bad debts	(11,848,282)	(1,135,299)	-	(12,983,581)
Net patient service revenue	175,631,712	14,087,295	(45,370)	189,673,637
Other operating revenue	7,481,359	717,768	(556,740)	7,642,387
Total unrestricted revenues and other support	183,113,071	14,805,063	(602,110)	197,316,024
Expenses				
Salaries and wages	72,452,051	15,140,624	-	87,592,675
Benefits	19,123,512	3,458,342	-	22,581,854
Physician fees	9,353,529	-	(9,000)	9,344,529
Other fees	13,535,141	2,916,139	(593,110)	15,858,170
Supplies	30,982,915	711,159	-	31,694,074
Utilities	3,024,039	75,746	-	3,099,785
Repairs and maintenance	6,616,301	252,468	-	6,868,769
Leases and rentals	3,212,776	1,216,888	(660,379)	3,769,285
Insurance	848,384	1,042,582	-	1,890,966
Interest	4,000,180	-	-	4,000,180
Depreciation and amortization	11,808,243	366,093	-	12,174,336
Hospital tax	5,215,813	-	-	5,215,813
Other	1,398,856	247,242	-	1,646,098
Total expenses	181,571,740	25,427,283	(1,262,489)	205,736,534
Income (loss) from operations	1,541,331	(10,622,220)	660,379	(8,420,510)
Nonoperating gains (losses)				
Net investment income	5,412,192	(4,546)	-	5,407,646
Other nonoperating income	273,667	-	-	273,667
Other nonoperating expense	(6,961,426)	-	(660,379)	(7,621,805)
Total nonoperating gains (losses)	(1,275,567)	(4,546)	(660,379)	(1,940,492)
Excess of revenues and gains over (under) expenses and losses	265,764	(10,626,766)	-	(10,361,002)
Change in net postretirement benefit obligation	13,992,568	-	-	13,992,568
Increase (decrease) in net assets	$ 14,258,332	$ (10,626,766)	$ -	$ 3,631,566

See Independent Auditors' Report

EXHIBIT 5

2013 TUOMEY 990



Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 5.x products, uncheck the "Shrink oversized pages to paper size" and uncheck the "Expand small pages to paper size" options, in the Adobe "Print" dialog. When using Acrobat 6.x and later products versions, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

CLIENT'S COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning OCT 1, 2013 and ending SEP 30, 2014

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Termin-ated
- [X] Amended return
- [ ] Applica-tion pending

C Name of organization
TUOMEY
Doing Business As TUOMEY HEALTHCARE SYSTEM

Number and street (or P.O. box if mail is not delivered to street address) 129 NORTH WASHINGTON STREET

Room/suite

City or town, state or province, country, and ZIP or foreign postal code SUMTER, SC 29150

F Name and address of principal officer: MICHELLE LOGAN-OWENS
SAME AS C ABOVE

D Employer identification number 57-0343398

E Telephone number 803-774-8616

G Gross receipts $ 206,217,276.

H(a) Is this a group return for subordinates? [ ] Yes [X] 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: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.TUOMEY.COM

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1914

M State of legal domicile: SC

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: OPERATION OF NONPROFIT HEALTHCARE FACILITY IN SUMTER, SC

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1980
6	Total number of volunteers (estimate if necessary)	6	256
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	0.	0.
	9 Program service revenue (Part VIII, line 2g)	194,394,421.	196,305,778.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,388,714.	6,922,144.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,048,464.	2,989,354.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	200,831,599.	206,217,276.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	88,829,868.	85,016,465.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 255,167.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	113,112,001.	117,128,617.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	201,941,869.	202,145,082.
	19 Revenue less expenses. Subtract line 18 from line 12	-1,110,270.	4,072,194.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	260,048,671.	219,666,499.
	21 Total liabilities (Part X, line 26)	144,052,098.	132,936,181.
	22 Net assets or fund balances. Subtract line 21 from line 20	115,996,573.	86,730,318.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ MICHELLE LOGAN-OWENS , CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: AMY BIBBY	Preparer's signature	Date	Check if self-employed [ ]	PTIN: P00445891
Firm's name ▶ DIXON HUGHES GOODMAN LLP			Firm's EIN ▶	56-0747981
Firm's address ▶ 500 RIDGEFIELD COURT ASHEVILLE, NC 28806			Phone no.	(828) 254-2254

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
THE MISSION OF TUOMEY HEALTHCARE SYSTEM IS TO PROMOTE GOOD HEALTH AND WELL-BEING AND TO PROVIDE EXCELLENT HEALTHCARE FOR EVERYONE IN SUMTER AND SURROUNDING COUNTIES.

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 [X] 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 [X] 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 $ 183,192,393. including grants of $ 0.) (Revenue $ 196,305,778.)
TUOMEY HEALTHCARE SYSTEMS IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA. TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY. TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS.

THE PROMOTION OF HEALTH HAS BEEN ESTABLISHED AS A CHARITABLE PURPOSE UNDER INTERNAL REVENUE CODE (IRC) SECTION 501 (C) (3). REV. RUL. 69-545, 1969-2 C.B. 94, SETS FOR THE FACTORS THE INTERNAL REVENUE SERVICE HAS CONSIDERED WHEN IT DETERMINED WHETHER A NON-PROFIT HOSPITAL QUALIFIED FOR TAX-EXEMPT STATUS.

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 ▶ 183,192,393.

SEE SCHEDULE O FOR CONTINUATION(S)

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
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? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
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)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	X	

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
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	247		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
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	1980		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
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		
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		X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		5a		X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5b		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5c		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				
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		X
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		X
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		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
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 and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the 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?		12a		
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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
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		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 13			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 8			
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?	2		X
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?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
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?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
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*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ SC

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

LYNWOOD WHITE, CFO - (803)774-8616

129 N WASHINGTON STREET, SUMTER, SC 29150

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

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

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

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

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN BRABHAM	1.00									
CHAIRMAN		X		X				0.	0.	0.
(2) LEROY CREECH	1.00									
VICE-CHAIRMAN		X		X				0.	0.	0.
(3) KAY RAFFIELD, PHD	1.00									
VICE-CHAIRMAN		X		X				0.	0.	0.
(4) MITCHELL WILLIAMS	1.00									
TREASURER		X		X				0.	0.	0.
(5) NICOLE NORRIS	1.00									
SECRETARY		X		X				0.	0.	0.
(6) CHALMERS GLENN	1.00									
BOARD MEMBER		X						0.	0.	0.
(7) PHIL PALMER	1.00									
BOARD MEMBER		X						0.	0.	0.
(8) CYNTHIA REESE, MD	1.00									
CHIEF OF MEDICAL STAFF		X						0.	0.	0.
(9) ANSEL MCFADDIN, MD	1.00									
BOARD MEMBER		X						0.	0.	0.
(10) SAMUEL RIDDLE, MD	1.00									
BOARD MEMBER		X						0.	0.	0.
(11) MARK M. CRABBE, MD	1.00									
BOARD MEMBER	39.00	X						0.	668,292.	19,660.
(12) MICHEAL SCHWARTZ	34.00									
CEO/PRESIDENT (BEG DEC 13)	6.00	X		X				0.	0.	0.
(13) R. JAY COX	34.00									
CEO/PRESIDENT (END OCT 13)	6.00	X		X				1,462,479.	0.	22,711.
(14) J. GREGG MARTIN	34.00									
COO/VICE-PRESIDENT	6.00			X				434,356.	0.	14,199.
(15) MARK LOVELL	34.00									
CFO/VICE-PRESIDENT (END DEC 13)	6.00			X				273,435.	0.	19,205.
(16) GENE F. DICKERSON, MD	40.00									
VP OF MEDICAL AFFAIRS					X			562,833.	0.	20,654.
(17) WILLIAM RENWICK	40.00									
VP					X			228,052.	0.	5,793.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MICHELLE LOGAN-OWENS VP	40.00				X			188,257.	0.	3,671.
(19) TERESA M. CARLTON CNO/VICE-PRESIDENT	40.00				X			188,257.	0.	21,251.
(20) TEXIN LI PHYSICIST	40.00					X		212,033.	0.	21,725.
(21) ROBERTO LAGARDE CRNA	40.00					X		179,149.	0.	18,920.
(22) JUDY LYNN ROBERTS CRNA	40.00					X		191,907.	0.	16,594.
(23) ETNA C. GRIFFIN CRNA	40.00					X		174,999.	0.	4,615.
(24) SHERRI J. BABB CRNA	40.00					X		178,549.	0.	16,893.
1b Sub-total								4,274,306.	668,292.	205,891.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								4,274,306.	668,292.	205,891.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 33

		Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MIDLANDS EMERGENCY PHYSICIANS, PA 129 NORTH WASHINGTON ST., SUMTER, SC 29150	MEDICAL SERVICES	6,589,526.
MEDICAL DOCTOR ASSOCIATES, INC. PO BOX 277185, ATLANTA, GA 30384-7185	MEDICAL SERVICES	2,445,313.
REHABCARE GROUP PO BOX 502096, ST. LOUIS, MO 63150	MEDICAL SERVICES	1,495,725.
HORTY, SPRINGER, & MATTERN 4614 FIFTH AVE, PITTSBURGH, PA 15213	LEGAL SERVICES	1,201,309.
E BART DANIEL SEVEN STATE STREET, CHARLESTON, SC 29402	LEGAL SERVICES	1,175,835.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 24

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f	▶				
Program Service Revenue		Business Code				
	2a NET PROGRAM SERVICE REVENUE	621400	184,697,455.	184,697,455.		
	b DISPROPORTIONATE SHARE POOL	900099	6,569,399.	6,569,399.		
	c MEANINGFUL USE REVENUE	900099	3,265,961.	3,265,961.		
	d ANCILLARY SERVICES	900099	1,772,963.	1,772,963.		
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f	▶	196,305,778.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶	860,315.			860,315.
	4 Income from investment of tax-exempt bond proceeds	▶	-14,340.			-14,340.
	5 Royalties	▶				
		(i) Real	(ii) Personal			
	6a Gross rents	1,266,080.				
	b Less: rental expenses	0.				
	c Rental income or (loss)	1,266,080.				
	d Net rental income or (loss)	▶	1,266,080.			1,266,080.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	6,071,583.	14,586.			
	b Less: cost or other basis and sales expenses	0.	0.			
	c Gain or (loss)	6,071,583.	14,586.			
	d Net gain or (loss)	▶	6,076,169.			6,076,169.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events	▶				
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities	▶				
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory	▶				
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA & VENDING	722210	1,171,288.			1,171,288.
	b AFFILIATE MANAGEMENT	561000	135,600.			135,600.
	c MEDICAL RECORD TRANSC	900099	113,565.			113,565.
	d All other revenue	900099	302,821.			302,821.
	e Total. Add lines 11a-11d	▶	1,723,274.			
	12 Total revenue. See instructions.	▶	206,217,276.	196,305,778.	0.	9,911,498.

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 ..... [X]

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,226,386.	1,113,193.	1,113,193.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	271,153.	271,153.		
7 Other salaries and wages	66,370,872.	61,251,139.	4,913,518.	206,215.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,629,819.	1,482,313.	142,626.	4,880.
9 Other employee benefits	9,655,138.	8,781,301.	844,926.	28,911.
10 Payroll taxes	4,863,097.	4,422,963.	425,572.	14,562.
11 Fees for services (non-employees):				
a Management	5,585,112.		5,585,112.	
b Legal	149,804.		149,804.	
c Accounting	81,240.		81,240.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	48,414.		48,414.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	21,928,807.	18,530,910.	3,397,897.	
12 Advertising and promotion	558,096.	10,619.	547,477.	
13 Office expenses	14,991,405.	13,876,218.	1,115,187.	
14 Information technology	1,253,208.	1,188,194.	65,014.	
15 Royalties				
16 Occupancy	2,934,255.	2,934,255.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,986,359.	3,986,359.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,628,443.	11,628,443.		
23 Insurance	1,781,108.	1,781,108.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	28,357,535.	28,357,535.		
b BAD DEBT EXPENSE	18,685,153.	18,685,153.		
c HOSPITAL TAX	4,888,440.	4,888,440.		
d MISCELLANEOUS EXPENSES	271,238.	3,097.	267,542.	599.
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	202,145,082.	183,192,393.	18,697,522.	255,167.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ [ ] 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 X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	5,938,408.	1	12,304,938.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	31,492,562.	4	27,630,086.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	4,985,828.	8	4,029,603.
	9	Prepaid expenses and deferred charges	6,391,922.	9	4,665,737.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 163,516,384.			
	b	Less: accumulated depreciation — 10b: 81,626,439.	89,684,229.	10c	81,889,945.
	11	Investments - publicly traded securities	90,120,984.	11	42,470,277.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	31,434,738.	15	46,675,913.
	16	Total assets. Add lines 1 through 15 (must equal line 34)	260,048,671.	16	219,666,499.
Liabilities	17	Accounts payable and accrued expenses	54,816,403.	17	47,726,775.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	88,739,614.	20	85,209,406.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	496,081.	25	0.
	26	Total liabilities. Add lines 17 through 25	144,052,098.	26	132,936,181.
Net Assets or Fund Balances		Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.			
	27	Unrestricted net assets	110,955,430.	27	76,902,591.
	28	Temporarily restricted net assets		28	1,811,011.
	29	Permanently restricted net assets	5,041,143.	29	8,016,716.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	115,996,573.	33	86,730,318.
	34	Total liabilities and net assets/fund balances	260,048,671.	34	219,666,499.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	206,217,276.
2	Total expenses (must equal Part IX, column (A), line 25)	2	202,145,082.
3	Revenue less expenses. Subtract line 2 from line 1	3	-4,072,194.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	115,996,573.
5	Net unrealized gains (losses) on investments	5	-2,596,754.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-30,741,695.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	86,730,318.

Part XII Financial Statements and Reporting

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

			Yes	No
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?	2a		X
	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?	2b	X	
	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?	2c	X	
	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?	3a		X
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	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

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 11, 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.)

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 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.)

10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of monetary support
Total									

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) ..... 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 ..... 15. %

16a 33 1/3% support test - 2013. 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 - 2012. 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 - 2013. 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b 10% -facts-and-circumstances test - 2012. 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 IV 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 ..... ▶ ☐

332022
09-25-13

Part III Support Schedule for Organizations Described in Section 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. 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 - 2012. 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 **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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. ▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

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

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

Name of organization	Employer identification number
TUOMEY	57-0343398

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.

2 Political expenditures ▶ $

3 Volunteer hours

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-.

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 ▶ [X] 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.		
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	

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.

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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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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 to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		14,430.
j Total. Add lines 1c through 1i			14,430.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

EXPLANATION: THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE SOUTH CAROLINA HOSPITAL ASSOCIATION (SCHA). THESE ORGANIZATIONS ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERSHIP BODIES, AND EACH YEAR A PORTION OF THE DUES PAID ARE ALLOCATED TO LOBBYING EXPENDITURES.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to 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)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

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 Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in 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 Revenues included in 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" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	6,450,959.	6,124,048.	5,523,695.	5,647,997.	5,341,581.
b Contributions					
c Net investment earnings, gains, and losses	3,451,768.	401,911.	675,353.	-49,302.	381,416.
d Grants or scholarships					
e Other expenditures for facilities and programs	75,000.	75,000.	75,000.	75,000.	75,000.
f Administrative expenses					
g End of year balance	9,827,727.	6,450,959.	6,124,048.	5,523,695.	5,647,997.

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 81.57 %
c Temporarily restricted endowment ▶ 18.43 %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,419,642.		9,419,642.
b Buildings		43,022,238.	16,987,321.	26,034,917.
c Leasehold improvements		580,036.	415,872.	164,164.
d Equipment		109,463,299.	64,223,246.	45,240,053.
e Other		1,031,169.		1,031,169.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				81,889,945.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ESTIMATED THIRD PARTY PAYOR	4,178,616.
(2) LEGAL RETAINER DEPOSIT	42,497,297.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	46,675,913.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

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 [X]

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	145,155,603.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-3,268,124.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	5,802,260.		
e	Add lines 2a through 2d			2e	2,534,136.
3	Subtract line 2e from line 1			3	142,621,467.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	63,595,809.		
c	Add lines 4a and 4b			4c	63,595,809.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	206,217,276.

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	182,810,740.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d	285,890.		
e	Add lines 2a through 2d			2e	285,890.
3	Subtract line 2e from line 1			3	182,524,850.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	19,620,232.		
c	Add lines 4a and 4b			4c	19,620,232.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	202,145,082.

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.

PART V, LINE 4:

EXPLANATION: THE EARNINGS OF THE ENDOWMENT FUND ARE DIRECTED TO THE BOARD'S DISCRETION. FOR THE PAST FIVE YEARS, THE EARNINGS HAVE BEEN USED TO FUND THE HOSPITAL'S HEALTH REACH PROGRAM.

PART X, LINE 2:

EXPLANATION: THE MEDICAL CENTER (TUOMEY) IS EXEMPT FROM INCOME TAX UNDER SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE;ACCORDINGLY, THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL AND STATE INCOME TAXES. THE SYSTEM HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2014. FISCAL

Part XIII Supplemental Information *(continued)*

YEARS ENDING ON OR AFTER SEPTEMBER 30, 2011 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN NET PENSION OBLIGATION	5,551,773.
TIMOTHY J. TUOMEY TRUST REVENUES	250,487.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	5,802,260.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

EXPENSES IN REVENUES	935,079.
BAD DEBT EXPENSE	18,685,153.
OTHER CHANGE IN NET ASSETS	43,975,577.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	63,595,809.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

TIMOTHY J. TUOMEY TRUST EXPENSES	285,890.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE	18,685,153.
EXPENSES IN REVENUES	935,079.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	19,620,232.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			14,977,799.	8,392,304.	6,585,495.	3.26%
b Medicaid (from Worksheet 3, column a)			19,684,125.	24,617,469.	5,066,656.	2.51%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			44,661,924.	33,009,773.	11,652,151.	5.77%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			347,270.		347,270.	.17%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			40,350.		40,350.	.02%
j Total. Other Benefits			387,620.		387,620.	.19%
k Total. Add lines 7d and 7j			45,049,544.	33,009,773.	12,039,771.	5.96%

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development	1		32,900.		32,900.	.02%
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development	1		389,116.		389,116.	.19%
9 Other						
10 Total	2		422,016.		422,016.	.21%

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
Section A. Bad Debt Expense				
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	11,848,281.		
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	3,171,342.		
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	57,307,908.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6	63,090,576.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-5,782,668.		
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: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other				
Section C. Collection Practices				
9a Did the organization have a written debt collection policy during the tax year?		9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	X	

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 TUOMEY REGIONAL MEDICAL CENTER 129 NORTH WASHINGTON ST SUMTER, SC 29150	X	X					X		DISPROPORTIONATE SHARE HOSPITAL	

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group TUOMEY REGIONAL MEDICAL CENTER

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] The process for consulting with persons representing the community's interests			
i [X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j [ ] Other (describe in Section C)			
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 13			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4		X
5 Did the hospital facility make its CHNA report widely available to the public?	5	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a [X] Hospital facility's website (list url): SEE DISCLOSURE			
b [ ] Other website (list url):			
c [X] Available upon request from the hospital facility			
d [ ] Other (describe in Section C)			
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a [X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b [X] Execution of the implementation strategy			
c [X] Participation in the development of a community-wide plan			
d [X] Participation in the execution of a community-wide plan			
e [X] Inclusion of a community benefit section in operational plans			
f [X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g [X] Prioritization of health needs in its community			
h [X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i [ ] Other (describe in Section C)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)* TUOMEY REGIONAL MEDICAL CENTER

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	10	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 200 %			
If "No," explain in Section C the criteria the hospital facility used.			
11 Used FPG to determine eligibility for providing *discounted* care?	11	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
If "No," explain in Section C the criteria the hospital facility used.			
12 Explained the basis for calculating amounts charged to patients?	12	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a [X] Income level			
b [ ] Asset level			
c [ ] Medical indigency			
d [X] Insurance status			
e [X] Uninsured discount			
f [X] Medicaid/Medicare			
g [X] State regulation			
h [ ] Residency			
i [ ] Other (describe in Section C)			
13 Explained the method for applying for financial assistance?	13	X	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a [X] The policy was posted on the hospital facility's website			
b [ ] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [X] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on request			
g [ ] Other (describe in Section C)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			

Part V Facility Information *(continued)* TUOMEY REGIONAL MEDICAL CENTER

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d ☐ Other (describe in Section C)

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

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

- a ☒ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☐ Other (describe in Section C)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	21		X
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	22		X

Part V | Facility Information *(continued)*

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

TUOMEY REGIONAL MEDICAL CENTER:

PART V, SECTION B, LINE 3: THE INTERNET-BASED SURVEY WAS PROMOTED THROUGH AN EMAIL LIST MAINTAINED BY THE HOSPITAL AND DISTRIBUTED TO LOCAL CIVIC AND HEALTH ORGANIZATIONS WITH A REQUEST FOR PARTICIPATION.

TUOMEY REGIONAL MEDICAL CENTER:

PART V, SECTION B, LINE 7: A LACK OF IDENTIFIED EFFECTIVE INTERVENTIONS TO ADDRESS THE NEED AS PREVENTIVE RESPONSES ARE BEST ADDRESSED BY PRIMARY CARE PRACTITIONERS. THE NEEDS THAT WERE IDENTIFIED BUT WERE NOT ADDRESSED WERE:

- OBESITY
- HYPERTENSION
- AFFORDABLE ACCESS

PART V, SECTION B, LINE 5A:

EXPLANATION: HTTP://WWW.TUOMEY.COM/SITES/WWW/UPLOADS/FILES/DOWNLOADS/HEALTH_NEEDS.PDF

Part V Facility Information *(continued)*

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 2

Name and address	Type of Facility (describe)
1 CANCER TREATMENT CENTER 130 N. WASHINGTON STREET SUMTER, SC 29150	RADIATION/ CHEMOTHERAPY CENTER
2 TUOMEY MEDICAL PARK ALICE DR & WESTMONT BLVD SUMTER, SC 29150	OUTPATIENT IMAGING, REHAB, OTHER

Part VI Supplemental Information

Provide the following information.

1 Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 State filing of community benefit report. If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7:

EXPLANATION: THE ORGANIZATION UTILIZED THE IRS WORKSHEETS TO DETERMINE THE COST TO CHARGE RATIO

PART II, COMMUNITY BUILDING ACTIVITIES:

EXPLANATION: ECONOMIC DEVELOPMENT - SUMTER SMARTER GROWTH INITIATIVE IS A SUMTER ECONOMIC DEVELOPMENT DONATION MADE TO ASSIST IN SUMTER DEVELOPMENT BOARD'S EFFORTS AT RECRUITING INSUDTRY, MARKETING THE SUMNTER COMMUNITY AND DEVELOPING SUMTER COUNTY'S INDUSTRIAL DEVELOPMENT PRODUCTS.

WORKFORCE DEVELOPMENT - TUOMEY WORKS TO RECRUIT PHYSICIANS THAT WILL MEET THE HEALTHCARE NEEDS OF THE COMMUNITY.

PART III, LINE 4:

EXPLANATION: ALTHOUGH NOT DESCRIBED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS, THE PRACTICE OF THE HOSPITAL IS TO RECORD BAD DEBT EXPENSE AT THE UNPAID BALANCES AFTER CONTRACTUAL DISCOUNTS FOR PATIENT'S WITH INSURANCE AND AT THE 65% DISCOUNTED CHARGE LEVEL FOR THOSE WHO DO NOT

Part VI Supplemental Information (Continuation)

HAVE INSURANCE. THE HOSPITAL NEGOTIATES WITH PAYERS TO COME UP WITH A FAIR DISCOUNTED RATE TO BE PAID FOR SERVICES RENDERED. THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBT EXPENSES. SIMILARLY FOR PATIENTS WITHOUT ANY INSURANCE, THE HOSPITAL OFFERS SEVERAL DIFFERENT DISCOUNT PROGRAMS, BASED UPON FINANCIAL NEED, TO THESE PATIENTS AND ONCE AGAIN THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBTS. FOR PATIENTS WHO DO NOT MEET OR DO NOT FOLLOW-THROUGH TO DEMONSTRATE FINANCIAL HARDSHIP, THE HOSPITAL DOES EXPECT TO BE REIMBURSED AT 65% OF ITS CHARGES. ALL OF THE REMAINING BALANCES THAT ARE NOT PAID ARE RECORDED AS BAD DEBTS.

THE HOSPITAL HAS COSTED THE BAD DEBTS EXPENSE IN LINE 2 OF THIS SECTION AT THE FULL UNPAID CONTRACTED RATE FOR PATIENTS WITH INSURANCE AS THIS REPRESENTS THE "CONTRACTED COST" FOR THE SERVICE AND THUS NOT APPLICABLE TO AN OVERALL COST-TO-CHARGE RATIO. FOR PATIENS WITH NO INSURANCE, THE COST ON LINE 2 REPRESENTS THE 65% OF CHARGE FIGURES MULTIPLIED BY THE OVERALL COST-TO-CHARGE RATIO FROM THE AUDITED FINANCIAL STATEMENTS. THE CRITERIA THE HOSPITAL USES FOR DISTINGUISHING BETWEEN CHARITY CARE AND BAD DEBT IS THAT IN ORDER FOR A PATIENT TO QUALIFY AS CHARITY CARE, THEY MUST SHARE THEIR FINANCIAL INFORMATION AND SHOW THAT THEY FALL WITHIN THE FEDERAL POVERTY GUIDELINES. THUS THE HOSPITAL BELIEVES THAT 50% OF THE FIGURE RECORDED AS BAD DEBT EXPENSE ON LINE 2 WOULD QUALIFY FOR CHARITY CARE IF THE PATIENTS HAD SHARED THEIR FINANCIAL INFORMATION. THIS PERCENTAGE WAS DERRIVED FROM DEMOGRAPHIC STUDIES OF THE COMMUNITY FOR FAMILIES FALLING BELOW THE HOSPITAL'S CHARITY CARE GUIDELINES, WHICH ARE BASED ON THE FEDERAL POVERTY GUIDELINES, IN THE MARKET AREA.

PART III, LINE 8:

EXPLANATION: THE ORGANIZATION UTILIZED A COST-TO-CHARGE RATIO IN

Part VI Supplemental Information (Continuation)

DETERMINING THE COSTING FOR THIS SECTION.

PART III, LINE 9B:

EXPLANATION: ALL SELF PAY PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND ARE GIVEN THE OPPORTUNITY TO COMPLETE THE APPLICATION. OTHERWISE, PRIOR TO THE PROCEDURE, AN ATTEMPT IS MADE TO COLLECT A PORTION OF THE COST OF THE PROCEDURE BASED ON AN GOOD FAITH ESTIMATE. AFTER THE PROCEDURE, THE HOSPITAL WILL SEND OUT ONE STATEMENT WITH THE AMOUNT OWED BY THE PATIENT. AFTER THIS STATEMENT, THE ACCOUNT IS TURNED OVER TO OUR IN-HOUSE SP COLLECTIONS DEPARTMENT. THEY CALL THE PATIENT TO DISCUSS PAYMENT TERMS AND OUR FA PROGRAM AND IF THE PATIENT HAS A 3RD PARTY PAYER. AFTER 120 DAYS, THE ACCOUNT IS THEN TURNED OVER TO OUR 3RD PARTY COLLECTOR. THE COLLECTOR WILL CALL AND SEND STATEMENTS IN AN ATTEMPT TO COLLECT THE FUNDS. AFTER 120 DAYS FROM PLACEMENT, AND THERE HAS BEEN NO ACTIVITY, THE ACCOUNT IS RETURNED TO THE HOSPITAL AND THE ACCOUNT IS WRITTEN OFF.

PART VI, LINE 2:

EXPLANATION: TUOMEY PROCURES AN ANNUAL ASSESSMENT IN REGARDS TO DETERMINING THE PHYSICIAN NEEDS OF THE SUMTER COMMUNITY. TUOMEY STRIVES TO MAKE IT UNNECESSARY AND UNREASONABLE FOR ANYONE TO GO OUTSIDE OF THE COMMUNITY TO OBTAIN HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A QUALITY, COST EFFECTIVE MANNER.

PART VI, LINE 3:

EXPLANATION: PER TUOMEY POLICY, PUBLIC NOTICE OF THE AVAILABILITY OF ASSISTANCE IS PROVIDED THROUGH THE POSTING OF NOTICES IN LOCATIONS OF HIGH VOLUME SUCH AS INPATIENT/OUTPATIENT ADMITTING/REGISTRATION, ER, BILLING

Part VI | Supplemental Information (Continuation)

OFFICES, ADMITTING OFFICES AND HOSPITAL OUTPATIENT SERVICE SETTINGS. IN ADDITION, NOTICE OF THE AVAILABILITY OF ASSISTANCE AND CONTACT INFORMATION IS LOCATED ON THE HOSPITAL WEBSITE. PATIENT LIABILITY STATEMENTS SENT TO PATIENTS ALSO INCLUDE LANGUAGE INDICATING THE PATIENT MAY BE ELIGIBLE FOR ASSISTANCE IF THEY MEET CERTAIN INCOME REQUIREMENTS.

PART VI, LINE 4:

EXPLANATION: SUMTER COUNTY IS HOME TO 107,500 RESIDENTS, WITH 18.3% OF THESE RESIDENTS AT OR BELOW THE POVERTY LEVEL. SUMTER'S RACIAL DEMOGRAPHICS ARE COMPRISED OF 49.4% WHITE, 47% BLACK, 1.2% ASIAN, AND 4.6% OTHER. THE MEDIAN INCOME FOR A SUMTER HOUSEHOLD IS $29,915. CURRENTLY, SUMTER'S UNEMPLOYMENT RATE EQUALS 10.2%. SUMTER HAS A MILITARY BASE WHICH HOUSES US AIR FORCE AND US ARMY TROOPS.

PART VI, LINE 5:

EXPLANATION: TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA. TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY. TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS. THE ORGANIZATION UTILIZES SURPLUS FUNDS TO MAKE IT NOT ONLY UNNECESSARY, BUT UNREASONABLE FOR ANYONE TO GO ELSEWHERE FOR HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A HIGH-QUALITY, COST-EFFECTIVE MANNER.

A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA AND ARE NOT EMPLOYEES, FAMILY MEMBERS OF EMPLOYEES, OR CONTRACTORS OF THE ORGANIZATION. TUOMEY EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL LOCAL PHYSICIANS IN MOST OF OUR DEPARTMENTS.

Part VI | Supplemental Information *(Continuation)*

PART VI, LINE 7, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

SC

PART VI LINE 8:

EXPLANATION: TUOMEY DOES NOT COMPLETE ITS OWN FORMAL COMMUNITY BENEFIT REPORT THUS WE DO NOT SEND ANY FORMAL REPORT TO ANY STATE BUT WE DO REPORT OUR RAW DATA TO THE SC HOSPITAL ASSOCIATION'S WEBSITE WHICH THEY USE TO FILE A FORMAL REPORT WITH SC AS A COMBINED REPORT COVERING ALL HOSPITALS IN THE STATE

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. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☒ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☒ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on 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	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☒ Compensation committee		
	☐ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☐ Compensation survey or study		
	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		X
8	Were any amounts reported in 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		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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 in 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.

	(B) Breakdown of W-2 and/or 1099-MISC compensation	(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation

0663

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 in 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 reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARK M. CRABBE, MD	(i)	0.	0.	0.	0.	0.	0.	0.
BOARD MEMBER	(ii)	343,949.	307,343.	17,000.	5,100.	14,560.	687,952.	0.
(2) R. JAY COX	(i)	549,500.	0.	912,979.	5,100.	17,611.	1,485,190.	467,266.
CEO/PRESIDENT (END OCT 13)	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) J. GREGG MARTIN	(i)	338,500.	0.	95,856.	5,100.	9,099.	448,555.	0.
COO/VICE-PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) MARK LOVELL	(i)	241,613.	0.	31,822.	4,832.	14,373.	292,640.	0.
CFO/VICE-PRESIDENT (END DEC 13)	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) GENE F. DICKERSON, MD	(i)	332,405.	0.	230,428.	5,100.	15,554.	583,487.	0.
VP OF MEDICAL AFFAIRS	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) WILLIAM RENWICK	(i)	174,165.	0.	53,887.	3,733.	2,060.	233,845.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) MICHELLE LOGAN-OWENS	(i)	171,213.	0.	17,044.	3,423.	248.	191,928.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) TERESA M. CARLTON	(i)	171,213.	0.	17,044.	3,855.	17,396.	209,508.	0.
CNO/VICE-PRESIDENT	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) TEXIN LI	(i)	212,033.	0.	0.	4,241.	17,484.	233,758.	0.
PHYSICIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) ROBERTO LAGARDE	(i)	167,874.	11,275.	0.	3,583.	15,337.	198,069.	0.
CRNA	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) JUDY LYNN ROBERTS	(i)	191,907.	0.	0.	3,838.	12,756.	208,501.	0.
CRNA	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) ETNA C. GRIFFIN	(i)	168,374.	6,625.	0.	3,500.	1,115.	179,614.	0.
CRNA	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) SHERRI J. BABB	(i)	168,274.	10,275.	0.	3,571.	13,322.	195,442.	0.
CRNA	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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.

PART I, LINE 1A:

EXPLANATION: THE FOLLOWING INDIVIDUALS RECEIVED AMOUNTS PAID BY THE ORGANIZATION FOR HOUSING ALLOWANCES AND SOCIAL CLUB DUES. THE AMOUNTS WERE RECEIVED AS FOLLOWS AND WERE INCLUDED IN THE EMPLOYEES TAXABLE INCOME.

THERE WAS COUNTRY CLUB DUES FOR:

JAY COX	$ 2,950
GREGG MARTIN	3,540

THERE WAS HOUSING ALLOWANCE FOR:

MARK LOVELL	$ 32,793

PART I, LINE 4B:

EXPLANATION: THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN (457(F)) AND/OR DEFINED BENEFIT PLAN FOR 2013, AS FOLLOWS. THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (B)(III):

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.

R. JAY COX $ 740,877

J. GREGG MARTIN 74,784

PART II:

EXPLANATION: MR. COX'S COMPENSATION FOR 2013 WAS BASED ON THE SEPARATION AGREEMENT BETWEEN HIMSELF AND TUOMEY AS WELL AS HIS EMPLOYMENT AGREEMENT THAT WAS IN PLACE AT THE TIME OF HIS TERMINATION. COMPENSATION RECEIVED IN 2013 INCLUDED BASE PAY, BENEFIT ALLOWANCE (32% OF BASE PAY), 457(F) PLAN DISTRIBUTION, AND ACCRUED PAID TIME OFF BALANCE. THE PAY AND BENEFITS PLAN WAS DETERMINED TO BE FAIR MARKET VALUE BASED ON AN THE EXECUTIVE COMPENSATION REVIEW PERFORMED BY INTEGRATED HEALTHCARE STRATEGIES, A CONSULTING FIRM WHICH SPECIALIZES IN SUCH WORK. THE 457(F) ACCOUNT BALANCE IN THE COX ACCOUNT WAS THE PORTION OF THE BENEFIT ALLOWANCE PROVIDED OVER THE PREVIOUS FIVE YEARS THAT WAS THE LEFT OVER FROM COX'S ALLOCATION TO ALL OTHER BENEFITS (FICA, HEALTH INSURANCE, SUPPLEMENTAL INSURANCE, ETC).

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

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: TUOMEY

Employer identification number: 57-0343398

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EKE4	01/12/06	76,542,284.	SEE PART VI		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FBT8	12/01/08	16,440,000.	SEE PART VI		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	27,145,000.			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	76,542,284.	16,440,000.		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds		240,000.		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	36,255,000.	16,200,000.		
12	Other unspent proceeds				
13	Year of substantial completion	2007	1995		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

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Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE:
BOND (A) - THE PROJECT CONSISTS OF THE EXPANSION OF THE PATIENT TOWER TO INCLUDE 35 ADDITIONAL BEDS AT AN ESTIMATED COST OF $30,000,000. SIGNIFICANT ASPECTS OF THE PROJECT INCLUDED THE TUOMEY WOMEN'S CENTER, THE TUOMEY HEALTHCARE SYSTEM NURSERIES, AND EXPANDED INPATIENT CAPACITY OF 22 PRIVATE INPATIENT ROOMS THROUGH A RELOCATION OF CERTAIN DEPARTMENTS.

BOND (B) - NET PROCEEDS FROM THE SALE OF THE BONDS WERE APPLIED TO THE PAYMENT UPON REDEMPTION OF THE SERIES 1995B VARIABLE RATE BONDS.

SCHEDULE K, PART II, LINE 11, OTHER SPENT PROCEEDS:
AMOUNTS ON LINE 11 REPRESENT BOND PROCEEDS USED TO REFUND PRIOR ISSUES DATED AS FOLLOWS:

BOND (A) - $ 36,255,000: SERIES 1995A, REFUNDED ON FEBRUARY 16, 2006
BOND (B) - $ 16,200,000: SERIES 1995B, REFUNDED ON DECEMBER 1, 2008

SCHEDULE K, PART III,
BOND (B) WAS USED TO CURRENTLY REFUND AN ISSUE DATED BEFORE JANUARY 1, 2003; THEREFORE, PART III OF SCHEDULE K IS NOT APPLICABLE TO THIS BOND.

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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, line 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. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) 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	(d) Corrected? No

2 Enter the amount of tax incurred by the 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? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
Total ▶ $												

Part III **Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

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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	(e) Sharing of organization's revenues? No
JOSEPH DURANT	FAMILY RELATIONSHIP	51,112.	COMPENSATIO		X
SYLVESTER L OWENS	FAMILY RELATIONSHIP	88,615.	COMPENSATIO		X
CHERLY MARTIN	FAMILY RELATIONSHIP	131,426.	COMPENSATIO		X

Part V Supplemental Information

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: JOSEPH DURANT

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH BOARD MEMBER KAY RAFFIELD

(C) AMOUNT OF TRANSACTION $ 51,112.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: SYLVESTER L OWENS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH BOARD MEMBER MICHELLE LOGAN-OWNES

(C) AMOUNT OF TRANSACTION $ 88,615.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: CHERLY MARTIN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH OFFICER GREGG MARTIN

(C) AMOUNT OF TRANSACTION $ 131,426.

(D) DESCRIPTION OF TRANSACTION: COMPENSATION AS EMPLOYEE

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

(E) SHARING OF ORGANIZATION REVENUES? = NO

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

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection.

Name of the organization: TUOMEY

Employer identification number: 57-0343398

PART I:

EXPLANATION: THE RETURN WAS AMENDED TO UPDATE SCHEDULE J PART I LINES 1 AND 2 AND REPORT THE REQUIRED DISCLOSURES.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

TUOMEY HAS OPERATED ITS FACILITIES IN A MANNER DESCRIBED BY REV. RUL. 69-545, SUPRA. THE BOARD OF TRUSTEES IS COMPRISED OF INDEPENDENT CIVIC LEADERS. AN OPEN MEDICAL STAFF IS MAINTAINED BY TUOMEY, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS. ALSO, TUOMEY OPERATED A FULL-TIME EMERGENCY ROOM OPEN TO ANYONE WITHOUT THE ABILITY TO PAY AND PROVIDES NON-EMERGENCY MEDICAL SERVICES TO ANYONE WITH THE ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT.

DURING THE YEAR, TUOMEY PROVIDED 66,026 ADULT PATIENT DAYS, 1,341 BIRTHS, 3,785 NURSERY PATIENT DAYS, 58,849 ER VISITS AND 40,309 OTHER OUTPATIENT VISITS. IT ALSO PROVIDED $34 MILLION WORTH OF CHARITY CARE.

FORM 990, PART VI, SECTION B, LINE 11:

EXPLANATION: THE RETURN WAS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM WITH ASSISTANCE AND OVERSIGHT BY MANAGEMENT. UPON COMPLETION, THE RETURN WAS REVIEWED BY THE CEO, CONTROLLER, AND COPIES OF THE FORM 990 WERE DISTRIBUTED TO THE BOARD MEMBERS.

FORM 990, PART VI, SECTION B, LINE 12C:

EXPLANATION: EACH YEAR THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A

Name of the organization TUOMEY | Employer identification number 57-0343398

CONFLICT OF INTEREST POLICY QUESTIONNAIRE REQUIRING ALL PERSONS MANAGER AND ABOVE TO DISCLOSE ANY POSSIBLE CONFLICT OF INTEREST. OFFICERS, KEY EMPLOYEES, AND TRUSTEES OF THE BOARD COMPLETE THIS QUESTIONNAIRE. BEFORE MAJOR VOTES AND DECISIONS, THE POLICY IS CONSIDERED AND ANY MEMBER WITH A CONFLICT IS EXCUSED FROM THE DISCUSSION OR VOTE. DOCUMENTATION OF THE CONSIDERATION IS KEPT IN THE MINUTES.

FORM 990, PART VI, SECTION B, LINE 15:

EXPLANATION: THE COMPENSATION COMMITTEE OF THE BOARD USES NATIONAL SALARY SURVEYS TO ASSURE THAT COMPENSATION IS BOTH COMPETITVE AND FAIR. THIS IS DONE FOR ALL EMPLOYEES AND MANAGEMENT ON AN ANNUAL BASIS.

FORM 990, PART VI, SECTION C, LINE 18:

EXPLANATION: PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE. IN ADDITION, RECENT FILING OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW.GUIDESTAR.ORG.

FORM 990, PART VI, SECTION C, LINE 19:

EXPLANATION: PHOTOCOPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE.

FORM 990, PART IX, LINE 11G, OTHER FEES:

OTHER FEES:

PROGRAM SERVICE EXPENSES	18,530,910.
MANAGEMENT AND GENERAL EXPENSES	3,397,897.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	21,928,807.

Name of the organization TUOMEY | Employer identification number 57-0343398

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	21,928,807.
FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:	
CHANGE IN PENSION OBLIGATION	5,551,773.
INTERCOMPANY EQUITY TRANSFER	-43,975,577.
EQUITY TRANSFER FROM TIMOTHY J. TUOMEY TRUST	7,682,109.
TOTAL TO FORM 990, PART XI, LINE 9	-30,741,695.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
THE TUOMEY FOUNDATION - 57-1041691 115 N. SUMTER ST. SUITE 120 SUMTER, SC 29150	SUPPORT AND FUNDRAISING	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	X	
TUOMEY MEDICAL PROFESSIONALS, INC. - 57-1012488, 129 NORTH WASHINGTON ST., SUMTER, SC 29150	HEALTHCARE	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	X	
TIMOTHY J. TUOMEY TRUST - 23-7127466 129 NORTH WASHINGTON ST. SUMTER, SC 29150	SUPPORT AND FUNDRAISING	SOUTH CAROLINA	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
TUOMEY PROFESSIONAL SERVICES, LLC - 20-1691464, 129 NORTH WASHINGTON ST., SUMTER, SC 29150	HEALTH CARE SERVICES	SC	TUOMEY	C CORP	0.	0.	100.00%	X	

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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
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	X	
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X	
o	Sharing of paid employees with related organization(s)	1o	X	
p	Reimbursement paid to related organization(s) for expenses	1p		X
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s		X

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) THE TUOMEY FOUNDATION	C	325,462.	CASH
(2) TUOMEY MEDICAL PROFESSIONALS	K	146,900.	CASH
(3)			
(4)			
(5)			
(6)			

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

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Part VII Supplemental Information

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

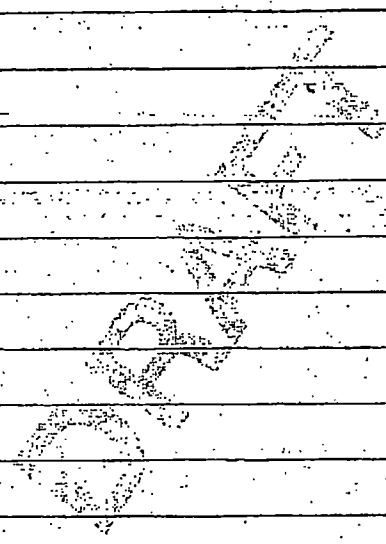


EXHIBIT 6

W-2 Wages, Tips, Other Comp. from Tuomey Healthcare System

	2004	2005	2006	2007	2008	2009	2010	2011
Thomas W. Hepfer, M.D.		17,453.94	24,799.59	23,203.79	19,791.62	14,236.76	6,289.50	285,591.30
Jon L. Stanford, M.D.		78,187.01	162,967.91	148,751.55	150,158.99	169,927.94	62,990.86	2,253.08
Theophilus D. Williams, M.D.		304,438.30	395,582.46	386,463.19	386,277.90	398,328.73	151,973.91	6,033.67
Triz Van Smith, M.D.				3,752.31	11,378.07	12,766.28	5,824.23	
Samuel M. Riddle, III, M.D.		13,958.32	16,510.71	17,132.75	12,386.01	13,199.71	7,948.47	261,754.87
Scott R. McDuffie, M.D.		418,731.62	514,846.14	495,724.21	475,937.48	499,175.15	210,635.56	8,266.38
Steven C. Lauzon, M.D.			1,257.86	88,886.97	128,043.46	158,465.19	48,313.02	310,676.44
G. Murrell Smith, M.D.		13,183.16	15,820.28	11,164.69	13,216.88	11,216.99	6,668.87	71,203.78
Mark M. Crabbe, M.D.		89,355.18	129,100.70	123,859.85	126,140.11	141,972.72	57,666.29	420,197.85
Kent N. Cunningham, M.D.		320,819.44	392,910.16	427,613.13	422,374.03	482,453.39	200,067.57	7,525.86
James A. Goodson, M.D.		465,246.97	596,028.82	592,507.44	600,152.41	624,155.16	250,729.94	13,221.92
James W. Ellett, M.D.		44,321.10	51,143.41	34,240.42	37,129.29	44,459.83	17,695.94	40,522.45
John J. Britton, M.D.		9,515.72	14,030.48	11,640.20	12,462.23	15,267.06	4,192.60	48,830.99
Henry P. Moses, M.D.		99,647.97	215,774.83	210,093.22	210,856.21	231,708.65	101,722.57	403,158.71
Helen D. Latham, M.D.		18,205.60	26,609.41	18,870.48	25,969.14	30,804.79	12,843.89	318,687.18
Hans A. Brings, M.D.		8,286.75	60,290.80	88,138.37	98,817.76	85,812.55	49,560.92	1,486.22
Floyd L. Angus, M.D.		316,735.54	390,957.37	366,564.40	344,183.59	364,940.37	150,703.43	5,765.67
Barney L. Williams, M.D.		4,997.65	11,498.88	7,212.98	3,948.56	3,944.51	1,246.46	25.32
T. Kincaide, M.D.		19,907.23	20,524.71	18,925.42	9,080.61	19.61		

0682

EXHIBIT 6

EXHIBIT 7

Bill Padget

From:	David Holler <davidholler@leeandmoise.com>
Sent:	Wednesday, January 06, 2016 4:04 PM
To:	Bill Padget
Cc:	Tom Moran; juliemurray@leeandmoise.com
Subject:	Myat v Tuomey
Attachments:	20150904134452074.pdf; 501(c)(3) IRS Tax Exempt Certificate.pdf; 20150904134446013.pdf

Bill,

The following are documents, a message from Tom Moran, and request for an extension of time to produce a document(s) setting forth the compensation of the "Tuomey" physicians.

1. Tuomey Form 990s – Attached are the Form 990s for 2010, 2011, 2012 and 2013. Please note that although the 2013 Form 990 is labelled as a draft, it is the form that was previously filed with the IRS. Tuomey has not filed Form 990 for the fiscal year beginning 10/1/14 and ending 9/30/15, and Form 990 for this fiscal year is not yet due to the IRS. [Bill, these documents were not attached to the email to me. Once I receive them, I will forward them to you immediately]

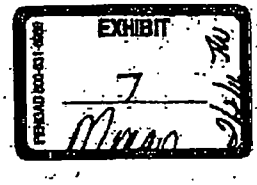
2. Tuomey Form 1023 Application for Exemption/ IRS Determination Letter– Tuomey first received its 501(c)(3) tax-exempt charitable status in 1922, as the IRS confirmed in the attached 1998 letter. Tuomey does not have a Form 1023 Application for Exemption or an IRS determination letter in its files, and I doubt these documents even existed at the time the IRS granted Tuomey with 501(c)(3) status. The attached IRS letter, however, states that it can be used to verify Tuomey's 501(c)(3) charitable status.

3. Chart Identifying Compensation of Drakeford Physicians We are working on this information, but unfortunately it is not ready yet due to delays associated with the closing of Tuomey's affiliation with Palmetto Health on 1/1/16. We even checked the record from the Drakeford case, but we have not found any information fully responsive to this request. Will you please [grant] an extension to provide this information until Monday 1/11/16?

Bill, please let me know if we may have a few more days to locate the physician compensation documents, if they exist. I suspect the 990's were too large for our email and were screened out of our system. We will try to forward them through a file sharing application.

I have also attached documents produced at trial and placed into the record on the issue of 501c3 and charitable status.

David C. Holler
Lee, Erter, Wilson, Erter, Holler & Smith, LLC
P.O. Box 580
126 N. Main Street
Sumter, South Carolina 29151-0580
davidholler@leeandmoise.com
(803) 778-2471 (office)
(803) 778-1643 (facsimile)



You may be reading an Attorney-Client communication. If you are not the intended recipient, please call (803) 778-2471 and report receipt of this communication. If you are a client, you may waive any protections or privileges you may have if you forward or share this communication with others.

The State of South Carolina

Executive Department

BY THE SECRETARY OF STATE

Certificate of Incorporation

Whereas,

Neill O'Donnell, President, Sumter, S. C. J. P. Barrette, Councilman, Sumter, S. C.
A. C. Baker, Secretary " " C. G. Rowland, Councilman " "
R. D. Lee, Executor " " J. M. Keels, Executive Committee "
L. D. Jennings, Mayor, "

two or more of the officers or agents appointed to supervise or manage the affairs of

The Tuomey Hospital

a Charitable Institution which has been duly and regularly organized, did, on the 9th day of February A. D. 1917, file with the Secretary of State a written declaration setting forth:

That at a meeting of the aforesaid organization, held pursuant to the by-laws or regulations of the said organization, they were authorized and directed to apply for incorporation.

That the said organization holds, or desires to hold, property in common for a Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members otherwise than is above stated, or for the insurance of life, health, accident or property; and that three days' notice in the Sumter Daily Item, a newspaper published in the County of Sumter has been given that the aforesaid Declaration would be filed;

And Whereas, *That said Declarants and Petitioners* further declared and affirmed

FIRST. Their names and residences are as above given.

SECOND. The name of the proposed corporation is

Tuomey Hospital

THIRD. The place at which it proposes to have its headquarters, or be located, is

Sumter, South Carolina

FOURTH. The purpose of the said proposed Corporation is

to conduct a hospital

16

0685

Internal Revenue Service

Department of the Treasury

District Director

Baltimore District

31 Hopkins Plaza, Baltimore, Md. 21201

July 13, 1998

P.O. Box 13163
Baltimore, MD 21203

Employer Identification Number:
57-0343398

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Tuomey
129 N. Washington Street
Sumter, SC 29150-4949

Dear Sir/Madam:

This is in response to your inquiry, requesting a copy of the letter which granted tax exempt status to the above named organization.

Our records show that the organization was granted exemption from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code effective August 1922. We have also determined that the organization is not a private foundation because it is described in section(s) 509(a)(1) and 170(b)(1)(A)(iii).

Donors may deduct contributions to you under section 170 of the Code.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more you pay to each of your employees during the calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than $25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do nhot exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally $25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however, this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,

Paul M. Harrington
District Director

Department of the Treasury

District Director

Date: JUL 09 1991

Returns Program Management
Staff - Taxpayer Assistance
P.O. Box 1055 - Room 1109
401 West Peachtree St., NW
Atlanta, GA 30370

Date of Inquiry:
06/13/91
Refer Reply To:
RPM:EO:TPA
EIN:
57-0343398

Tuomey Regional Medical Center
129 N Washington Street
Sumter, SC 29150

Dear Taxpayer:

This is in response to your request for confirmation of your exemption from Federal income tax.

You were recognized as an organization exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code by our letter of August 1922. You were further determined not to be a private foundation within the meaning of section 509(a) of the Code because you are an organization described in section 170(b)(1)(A)(iii) and 509(a)(1).

Contributions to you are deductible as provided in section 170 of the Code.

The tax exempt status recognized by our letter referred to above is currently in effect and will remain in effect until terminated, modified or revoked by the Internal Revenue Service. Any change in your purposes, character, or method of operation must be reported to us so we may consider the effect of the change on your exempt status. You must also report any change in your name and address.

Thank you for your cooperation.

Sincerely,

Exempt Organizations Coordinator

IRS

Exempt Organizations Select Check

Exempt Organizations Select Check Home

Organizations Eligible to Receive Tax-Deductible Charitable Contributions (Pub. 78 data) - Search Results

The following list includes tax-exempt organizations that are eligible to receive tax-deductible charitable contributions. Click on the "Deductibility Status" column for an explanation of limitations on the deductibility of contributions made to different types of tax-exempt organizations.

Results are sorted by EIN. To sort results by another category, click on the icon next to the column heading for that category. Clicking on that icon a second time will reverse the sort order. Click on a column heading for an explanation of information in that column.

1-4 of 4 results Results Per Page: 25 OK « Prev | 1-4 | Next »

EIN	Legal Name (Doing Business As)	City	State	County	Deductibility Status
23-7127456	Timothy J Tuomey Trust	Sumter	SC	United States	SOUNK
57-0313398	Tuomey	Sumter	SC	United States	PC
57-1012488	Tuomey Medical Professionals Inc	Sumter	SC	United States	SOUNK
57-1041691	Tuomey Foundation	Sumter	SC	United States	SOUNK

« Prev | 1-4 | Next »

Return to Search



TUOMEY

Note:This online database was last updated on 9/2/2015 1:05:09 AM.
See our Disclaimer.

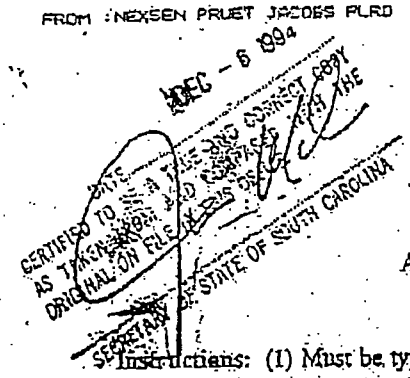
DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION / ORGANIZATION:	SOUTH CAROLINA Non Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	DEBBIE MIXON
ADDRESS:	129 N WASHINGTON ST
CITY:	SUMTER
STATE:	SC
ZIP:	29150
SECOND ADDRESS:	

FILE DATE:	02/09/1914
EFFECTIVE DATE:	02/09/1914
DISSOLVED DATE:	//

Corporation History Records



SECRETARY OF STATE

NONPROFIT CORPORATION

ARTICLES OF INCORPORATION

Jim Miles
SECRETARY OF STATE
FILED
DEC - 6 1994
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

Instructions: (1) Must be typewritten or printed.
(2) Must file this original and one copy.
(3) Must include $25 fee payable to the Secretary of State.
(4) Should your articles be refused, you will receive written notification within five days.

1. The name of this corporation is TUOMEY MEDICAL PROFESSIONALS

2. The initial registered office of the corporation is:

129 North Washington Street Sumter Sumter
Street Address City County

South Carolina, 29150
State, Zip Code
[The complete address is required by SC Code 33-31-202(a)3]

3. The name of the registered agent at the above office is:
J. Thornton Kirby

4. Check either (a), (b), or (c). Check only one box.

[X] The nonprofit corporation is a public benefit corporation.

[ ] The nonprofit corporation is a religious corporation.

[ ] The nonprofit corporation is a mutual benefit corporation.

5. Check (a) or (b), whichever is applicable:

[ ] This corporation will have members who will vote for the board of directors. Section 33-31-202(a)5.

[X] This corporation will not have members.

112251.1-CT [LCX] 0142(5-0

6. The address of the principal office of the nonprofit corporation is:

129 North Washington Street
Street Address

Sumter,	Sumter,	South Carolina,	29150
City,	County,	State,	Zip Code

[The complete address is required by SC Code 33-31-202(a)7]

7. If the corporation is either public benefit or religious, complete either (a) or (b) below. Do not check both. [This information is required by 33-31-202(a)6]

[X] Upon dissolution of the corporation, its assets shall be distributed to Tuomey Regional Medical Center ("TRMC") for a public purpose. If TRMC declines to receive such distribution, or is otherwise unable to receive such distribution, then the assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

[ ] Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to:

_____

_____

_____

8. If the corporation is a mutual benefit corporation, complete either (a) or (b) to describe how the assets of the corporation will be distributed upon dissolution of the corporation.

[ ] Upon dissolution of the mutual benefit corporation, the assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

[ ] Upon dissolution of the mutual benefit corporation, the assets, consistent with law, shall be distributed to

_____

_____

_____

9. Please include any optional provisions which the nonprofit elects to include in these articles of incorporation. See Section 33-31-202(b) through 33-31-202(e):

A. The purpose of the Corporation shall be to participate in the integrated health care delivery system of TRMC, to promote the health and wellness of the communities served by the Corporation and to do all things necessary or convenient, and not inconsistent with law, to further these goals. The purpose of the Corporation is exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

B. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, and the Corporation shall not otherwise attempt to influence legislation. The Corporation shall not participate in, or intervene in, political campaigns on behalf of any candidate for public office. The Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or corresponding section of any future federal tax code.

C. The name and address of each initial director of the Corporation is as follows:

Name	Address
Jay Cox	129 North Washington St., Sumter, SC 29150
W. Paul Johnson	129 North Washington St., Sumter, SC 29150
J. Thornton Kirby	129 North Washington St., Sumter, SC 29150

D. These Articles of Incorporation shall not be amended without the prior written consent of TRMC.

10. The name and address of each incorporator of the Corporation is as follows:

Name	Address
Jay Cox	129 North Washington Street Sumter, South Carolina 29150

[This information is required by SC Code 33-31-202(a)4]

11. _____
Incorporator's Signature [33-31-202(d)]

Jay Cox
Incorporator's Name (typed)

12. _____
Signature of any director named in these articles

Jay Cox
Director's Name (typed)

_____
Signature of any director named in these articles

W. Paul Johnson
Director's Name (typed)

_____
Signature of any director named in these articles

J. Thornton Kirby
Director's Name (typed)

December 5, 1996
Date and Time

EXHIBIT 8

KeyCite Yellow Flag - Negative Treatment
Distinguished by PCS Nitrogen, Inc. v. Ross Development Corp., D.S.C., October 29, 2014

976 F.Supp.2d 776
United States District Court,
D. South Carolina,
Columbia Division.

UNITED STATES of America ex rel.
Michael L. DRAKEFORD, M.D., Plaintiff,
v.
TUOMEY d/b/a Tuomey
Healthcare System, Inc., Defendant.

C/A No. 3:05–2858–MBS.
|
Oct. 2, 2013.

Synopsis

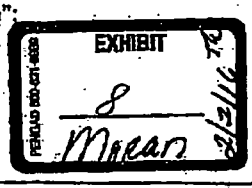
Background: United States brought qui tam action against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law. Following jury trial, the Court of Appeals, Duncan, J., 675 F.3d 394, reversed and remanded. After a second jury trial, a verdict was returned against provider in the amount of $39,313,065. The parties filed post trial motions.

Holdings: The District Court, Margaret B. Seymour, J., held that:

[1] evidence was sufficient to support finding that physicians' compensation varied with volume and value of physicians' referrals to provider;

[2] evidence was sufficient to support finding that provider took into account the volume or value of referrals in calculating compensation plans in physicians' contracts;

[3] evidence was sufficient to support finding that provider's Medicare and Medicaid claims were submitted in violation of FCA, even though provider asserted that the forms did not identify a "referring physician";



[4] evidence was sufficient to support finding that provider knowingly submitted false Medicare and Medicaid claims, for purposes of scienter under the Stark Law;

[5] provider was not entitled to new trial on damages; and

[6] trebling of United States' jury verdict and civil penalties did not violate Eighth Amendment.

Motions granted in part and denied in part.

West Headnotes (16)

[1] **Federal Civil Procedure**
⇨ Questions for Jury

Federal Civil Procedure
⇨ Notwithstanding Verdict; Judgment as Matter of Law

A motion for judgment as a matter of law follows the same standard as a motion for summary judgment. Fed.Rules Civ.Proc.Rule 50(b), 56, 28 U.S.C.A.

Cases that cite this headnote

[2] **Federal Civil Procedure**
⇨ Evidence

Federal Civil Procedure
⇨ Construction of evidence

When a jury has returned a verdict, the court may grant a motion for judgment as a matter of law only if, viewing the evidence in a light most favorable to the non-moving party and in support of the jury's verdict, and drawing every legitimate inference in that party's favor, the only conclusion a reasonable jury could have reached is one in favor of the moving party. Fed.Rules Civ.Proc.Rule 50(b), 28 U.S.C.A.

Cases that cite this headnote

[3] **Federal Civil Procedure**
⇨ Evidence

In deciding a motion for judgment as a matter of law, if reasonable minds could differ, the

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court must affirm the jury's verdict. Fed.Rules Civ.Proc.Rule 50(b), 28 U.S.C.A.

Cases that cite this headnote

[4] **Federal Civil Procedure**
Construction of evidence

In drawing all reasonable inferences in favor of the non-movant for purposes of deciding a motion for judgment as a matter of law, the court may not weigh the evidence or assess the credibility of the witnesses. Fed.Rules Civ.Proc.Rule 50(b), 28 U.S.C.A.

Cases that cite this headnote

[5] **Health**
Providers

Evidence was sufficient to support finding that physicians' compensation varied with volume and value of physicians' referrals to health care provider, for purposes of determining whether physicians' contracts with provider were subject to the Stark Law; there was a one-to-one relationship between each physician's aggregate compensation and the volume or value of the physician's referrals of technical components to hospital, provider acknowledged that each time one of the physicians performed a legitimate procedure on a Medicare patient at provider's facility pursuant to his or her agreements, the physician's compensation would increase, and each time one of the physicians referred a patient to provider's facility, the provider received a facility fee for the services that the hospital provided in connection with the referral. Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[6] **Health**
Evidence

Evidence was sufficient to support finding that health care provider took into account the volume or value of referrals in calculating compensation plans in physicians' contracts, for purposes of determining whether the contracts were subject to the Stark Law, even though witness acknowledged that she had calculated the net present value of money the provider would lose in facilities fees if the physicians were to commence conducting endoscopies in their offices, as well as the net present value of professional fees the physicians would earn for those procedures, but denied that her calculations were used in establishing any compensation plan; it was for the jury to judge the witness's credibility regarding the use of her calculations and to consider her position along with other evidence in the record. Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[7] **United States**
Evidence

Evidence was sufficient to support finding that health care provider's Medicare and Medicaid claims were submitted in violation of the False Claims Act (FCA), even though provider asserted that nothing on the pertinent forms identified a "referring physician," but rather, the forms only identified "attending physician" and "other physician"; trial court had determined it was a jury question whether attending and operating physicians constituted referring physicians under the Stark Law, trial court charged the jury the definition of "referring physician," and there was testimony by physicians that they undertook conduct in treating Medicare patients that fell within the definition of "referring physician" for purposes of the Stark Law. 31 U.S.C. § 3729 et seq.; Stark Law, § 1877(h)(5)(B), 42 U.S.C.A. § 1395nn(h)(5)(B).

Cases that cite this headnote

[8] **Health**
Providers, Proceedings Regarding
Health
Evidence

Evidence was sufficient to support finding that health care provider knowingly submitted false Medicare and Medicaid claims, for purposes of scienter under the Stark Law, even though

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provider asserted it relied in good faith on advice of counsel; consultant retained by provider had expressed concerns to provider that the provider's physician contracts were problematic and the terms of the contracts would raise a "red flag" and expose the provider to liability because, in the consultant's opinion, the physicians were being paid in excess of fair market value for their services, and the physicians would be making referrals to provider, as prohibited by the Stark Law, and the contracts contained "unusual" components, such as the existence of a lengthy ten-year term. 31 U.S.C.A. § 3729(a).

Cases that cite this headnote

[9] **Federal Civil Procedure**
⊂ Verdict or Findings Contrary to Law or Evidence

Federal Civil Procedure
⊂ Weight of evidence

A court should grant a new trial if: (1) the verdict is against the clear weight of the evidence, or (2) is based upon evidence which is false, or (3) will result in a miscarriage of justice, even though there may be substantial evidence that would prevent the direction of a verdict. Fed.Rules Civ.Proc.Rule 59(a), 28 U.S.C.A.

Cases that cite this headnote

[10] **Federal Civil Procedure**
⊂ Presumptions; construction of evidence

In ruling on a motion for a new trial, the court weighs the evidence and considers the credibility of witnesses. Fed.Rules Civ.Proc.Rule 59(a), 28 U.S.C.A.

Cases that cite this headnote

[11] **Evidence**
⊂ Damages

Federal Civil Procedure
⊂ Excessive Damages

United States
⊂ Trial and judgment

Health care provider was not entitled to new trial on damages in action brought by United States under False Claims Act (FCA), even though provider asserted that United States' expert's calculation of number of provider's Medicare and Medicaid claims submitted in violation of FCA was grossly inflated, where provider was entitled to offer its own expert and its own alternate damages calculations, but elected not to do so, and, nevertheless, provider thoroughly cross-examined United States' expert and challenged his conclusions. Fed.Rules Civ.Proc.Rule 59(a), 28 U.S.C.A.; 31 U.S.C.A. § 3729 et seq.; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[12] **Equity**
⊂ Existence of remedy at law and effect in general

A suit in equity will not lie when there is an adequate remedy at law.

Cases that cite this headnote

[13] **Sentencing and Punishment**
⊂ Civil Matters

While Eighth Amendment claims often arise in the criminal context, civil sanctions may fall within the scope of the amendment. U.S.C.A. Const.Amend. 8.

Cases that cite this headnote

[14] **Sentencing and Punishment**
⊂ Fines

Sentencing and Punishment
⊂ Civil Matters

Civil fines serving remedial purposes do not fall within the reach of the Eighth Amendment; however, if a civil sanction can only be explained as serving in part to punish, then the fine is subject to the Eighth Amendment. U.S.C.A. Const.Amend. 8.

Cases that cite this headnote

[15] **Sentencing and Punishment**

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-- Penalties

If a civil penalty is punitive and thus subject to the Eighth Amendment, it will be found excessive only if it is grossly disproportional to the gravity of the offense. U.S.C.A. Const.Amend. 8.

Cases that cite this headnote

[16] United States
-- Civil penalties

Trebling of United States' jury verdict and civil penalties in action under False Claims Act (FCA) against health care provider, for a total award of $237,454,195, did not violate Eighth Amendment; the civil penalties authorized by Congress with respect to the FCA were not grossly disproportional to the gravity of provider's offense of submitting 21,730 false Medicare and Medicaid claims, and provider's conduct as found by the jury called into question the efficacy of administering the Medicaid and Medicare programs and promoted self-interest to the detriment of federal taxpayers. U.S.C.A. Const.Amend. 8; 31 U.S.C. §§ 3729 et seq.; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

Attorneys and Law Firms

*779 G. Norman Acker, U.S. Attorneys Office, Raleigh, NC, Kevin Mitchell Barth, Nicholas Lewis, Ballenger Barth and Hoefer, Florence, SC, Sandra LW Miller, Womble Carlyle Sandridge and Rice, Greenville, SC, Tracy L. Hilmer, U.S. Department of Justice, Washington, DC, for Plaintiff.

Arthur Camden Lewis, James Mixon Griffin, Margaret Nicole Fox, Lewis Babcock and Griffin, Columbia, SC, William Jonathan Harling, Herling and West, Lexington, SC, Daniel M. Mulholland, III, Horty Springer and Mattern, Pittsburgh, PA, Edward Bart Daniel, Matthew R. Hubbell, Charleston, SC, for Defendant.

ORDER AND OPINION

MARGARET B. SEYMOUR, Senior District Judge.

On October 4, 2005, Plaintiff United States of America, ex rel. Michael K. Drakeford, M.D., filed a qui tam complaint *780 against Defendant Tuomey d/b/a Tuomey Healthcare System, Inc. The Government filed amended complaints on December 21, 2007 and November 12, 2008. The Government alleges it made payments to Tuomey under the Medicare and Medicaid Programs, but that the claims for payment were unlawful under the Stark Law, 42 U.S.C. § 1395m, and thus violative of the False Claims Act (FCA), 31 U.S.C. §§ 3729 et seq.

By way of background, § 3729(a) imposes liability on persons who, among other things, knowingly present, or cause to be presented, a false or fraudulent claim to the United States Government for payment or approval. Any such person is liable to the United States Government for a civil penalty of not less than $5,500 and not more than $11,000, as well as three times the amount of damages that the Government sustains because of the act of that person. *Id.* Persons violating § 3729 also are liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages. The FCA further provides that a private person may bring a civil action for a violation of § 3729 both for the person and for the United States Government where the private person has information that the named defendant has knowingly submitted or caused the submission of false or fraudulent claims to the United States. *See id.* § 3730. This legal device is called a "qui tam." *See* https://www.doioig.gov/docs/falseclaimsact.pdf (September 24, 2013).

Regarding the Stark Law and related regulations, the Court of Appeals for the Fourth Circuit has explained:

> The Stark Law, and regulations promulgated pursuant thereto ("Stark Regulations") prohibit a physician who has a "financial relationship" with an entity—such as a hospital—from making a "referral" to that hospital for the furnishing of certain "designated health services" for which payment otherwise may be made by the United States under the Medicare program. 42 U.S.C. § 1395nn(a)(1); 42 C.F.R. § 411.353(a). A hospital may not submit for payment a Medicare claim for services rendered pursuant to a prohibited referral. 42 U.S.C. § 1395nn(a)(1)(B); 42 C.F.R. § 411.353(b). The United States may not make payments pursuant to such a claim, and hospitals must reimburse any payments that are mistakenly made by

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the United States. 42 U.S.C. § 1395nn(g)(1); 42 C.F.R. § 411.353(c, d). However, when a physician initiates a service and personally performs it, that action does not constitute a referral under the Stark Law. 42 U.S.C. § 1395nn(h)(5); 42 C.F.R. § 411.351.

The Stark Law and Stark Regulations define a "financial relationship" to include "a compensation arrangement" in which "remuneration" is paid by a hospital to a referring physician "directly or indirectly, overtly or covertly, in cash or in kind." 42 U.S.C. §§ 1395nn(a)(2), (h)(1); 42 C.F.R. § 411.354. An indirect financial relationship exists if, inter alia, there is an indirect compensation arrangement between the referring physician and an entity that furnishes services. An indirect compensation arrangement exists if, inter alia, the referring physician receives aggregate compensation that "varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity furnishing" services. 42 C.F.R. § 411.354(c)(2)(ii).

United States ex rel. Drakeford v. Tuomey Healthcare Sys., Inc., 675 F.3d 394, 397–98 (4th Cir.2012).

*781 The Stark Regulations provide that certain enumerated compensation arrangements do not constitute a "financial relationship." An indirect compensation arrangement does not constitute a financial relationship if the compensation received by the referring physician is (1) equal to the "fair market value for services and items actually provided"; (2) "not determined in any manner that takes into account the volume or value of referrals or other business generated by the referring physician" for the hospital; and (3) "commercially reasonable." *Id.* (quoting 42 C.F.R. § 411.357(p)).

I. *ALLEGATIONS*

According to the Government, Sumter Urological Surgery Center, LLC submitted a certificate of need to build a freestanding ambulatory surgery center (ASC) in Sumter, South Carolina. The surgery center was authorized to perform less complicated and lower risk outpatient surgeries outside the confines of a hospital. Tuomey applied for a certificate of need for its own ASC, and later converted it to a certificate of need for an outpatient surgery center (OSC). Both certificates of need were granted in September 2002. This resulted in competition by Sumter Urological Surgery Center against Tuomey for these types of surgical services.

The Government alleged in its complaint that in 2003, Tuomey determined that it would lose revenue in the amount of approximately $9.6 million over a thirteen year period if gastroenterologists redirected their endoscopies away from Tuomey. This was based on a study that concluded 80% of gastroenterologists using Tuomey's facilities would stop doing so if they had access to an ASC or OSC. Accordingly, Tuomey commenced recruiting specialist physicians to enter into part-time employment contracts. According to the Government, the compensation packages paid physicians 31% above and beyond their total net collections as independent contractors, and thus in excess of the fair market value for their services. Specifically,

> [b]etween January 1, 2005, and November 15, 2006, Tuomey entered into compensation contracts with 19 specialist physicians. All of the contracts included essentially the same terms. Each contract specified that the physician was required to provide outpatient procedures at Tuomey Hospital or at facilities owned or operated by it. Under each contract, Tuomey was solely responsible for billing and collections from patient and third-party payors for outpatient procedures, and the physician expressly reassigned to Tuomey all benefits payable to the physician by third party payors, including Medicare and Medicaid. Tuomey agreed to pay each physician an annual base salary that fluctuated based on Tuomey's net cash collections for the outpatient procedures. Tuomey further agreed to pay each physician a "productivity bonus" equal to 80 percent of the net collections. Moreover, each physician was eligible for an incentive bonus that could total up to 7 percent of the productivity bonus. Each contract had a ten year term and provided that the physicians would not compete with Tuomey during the term of the contract and for two years thereafter.
>
> Pursuant to the contracts, the physicians performed outpatient procedures at Tuomey facilities. The outpatient procedures generated two billings: a professional fee for the physician for his or her services, also known as the "professional component"; and a facility fee for Tuomey for providing the space, the nurses, the equipment, etc., also known as the "facility component" or "technical component." Subsequent to the performance *782 of the procedures, Tuomey submitted claims requesting reimbursement for both the professional fee and the facility fee to third-party payors, including Medicare and Medicaid. As relevant here, Tuomey presented, or caused to be presented, to Medicare and Medicaid claims for

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payment of the facility fees generated as a result of outpatient procedures performed pursuant to the contracts.

Tuomey, 675 F.3d at 399.

The Government contended in its complaint that Tuomey presented, or caused to be presented through a fiscal intermediary and carrier, or through the South Carolina Department of Health and Human Services, claims for payment to the Medicaid and Medicare programs for designated health services provided on referrals from the physicians with whom it had entered into prohibited financial relationships. The Government alleged that Tuomey therefore presented false and fraudulent claims. The Government also alleged that Tuomey made false statements on its certificates of cost reports by stating that it was entitled to payment of its claims for the services that allegedly were provided in violation of the Stark Law. The Government asserted the following federal causes of action: violation of the False Claims Act (claims for services rendered as a result of violations of the Stark Law) (Count I); False Claims Act (use of false statements) (Count II); and False Claims Act (false record to avoid an obligation to refund) (Count III). The Government also asserted equitable state law claims as follows: payment under mistake of fact (Count IV); unjust enrichment (Count V); and a claim for disgorgement, constructive trust, and accounting (Count VI). The Government demanded civil penalties and treble damages as to Counts I, II, and III; damages sustained and/or amounts that Tuomey received in error or by which Tuomey was unjustly enriched as to Counts IV and V; and a disgorgement of illegal profits, accounting of revenues unlawfully obtained by Tuomey, and the imposition of a constructive trust upon such revenues as to Count VI.

II. *PROCEDURAL HISTORY*

The within action originally was assigned to the Honorable Matthew J. Perry, Jr. On March 5, 2010, Judge Perry commenced presiding over a jury trial. On March 29, 2010, the jury returned a verdict in favor of the Government regarding the question of whether Tuomey violated the Stark Law. The jury also found that Tuomey did not violate the FCA.

The parties thereafter filed post-trial motions. Judge Perry held a hearing on June 3, 2010. On July 13, 2010, 2010 WL 4000188, Judge Perry issued an order wherein he granted a new trial on the whole issue of the FCA. Also on July 13, 2010, Judge Perry issued an order wherein he found that, (1) pursuant to the jury verdict, Tuomey violated the Stark Law; and (2) Tuomey submitted claims in violation of the Stark Law, and the United States paid those claims in an amount of $44,888,651.00 for services rendered through June 30, 2009. Judge Perry concluded that the United States was entitled to judgment in its favor as to its equitable claims, specifically Count IV (payment by mistake) and Count V (unjust enrichment) in the total amount of $44,888,651.00, plus prejudgment interest.

On July 16, 2010, Tuomey appealed Judge Perry's order that found the United States was entitled to judgment on Counts IV and V and imposing judgment of $44,888,651.00. Tuomey argued that its Seventh Amendment rights were violated when Judge Perry based his judgment with respect to Counts IV and V on the *783 jury's interrogatory answer regarding the Stark Law, even though the jury verdict had been set aside in its entirety. The case was reassigned to the undersigned on August 12, 2011, subsequent to Judge Perry's passing.

On March 30, 2012, the Fourth Circuit issued its opinion on Tuomey's appeal. The Fourth Circuit observed:

> ... As already noted, whether there was a financial relationship between Tuomey and the physicians that violated the Stark Law is a factual predicate to liability on the equitable claims. The FCA claim, too, is premised on the existence of such an illegal relationship. As such, the factual issue of whether a financial relationship prohibited by the Stark Law existed is common to the equitable claims and the FCA claim. It follows that the district court was required to submit that issue to the jury before it could resolve the United States' equitable claims.
>
> Here, the district court failed to do precisely that. Although it tried the FCA claim to a jury, and the jury returned a verdict on that claim that indicated that Tuomey had violated the Stark Law but had not violated the FCA, the district court set that verdict aside when it granted the government's motion for a new trial under Rule 59, specifically ordering that the new trial would encompass the whole FCA claim, including whether Tuomey had violated the Stark Law. As a result, the jury's interrogatory answer regarding the Stark Law is now a legal nullity. In other words, following the order granting the Rule 59 motion, a jury had yet to determine the common issue necessary to resolution of both the FCA claim and the

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equitable claims, i.e., whether Tuomey violated the Stark Law. In granting judgment to the United States on the equitable claims, the district court impermissibly resolved that common issue before a jury had adjudicated it. It thereby deprived Tuomey of its right to a jury trial.

Tuomey, 675 F.3d at 404–05.

The Fourth Circuit thereon remanded the case to the district court for further proceedings. The Fourth Circuit concluded:

> the jury must determine on remand whether the contracts took into account the volume or value of referrals. If it so finds, the jury must further determine whether Tuomey could bear its burden of proof with respect to the indirect compensation arrangement exception. Finally, if the jury finds that the contracts created a financial relationship—as defined by the Stark Law—between Tuomey and the physicians, it must determine the number and value of claims Tuomey presented to Medicare for payment of facility fees resulting from the facility component referrals made by the physicians, and for which it received payment.

Id. at 405. The Fourth Circuit issued its mandate on May 22, 2012.

After a period of additional discovery, the case again proceeded to trial on April 16, 2013. On May 8, 2013, the jury returned a verdict finding that Tuomey had violated the Stark Law, that Tuomey had violated the FCA, that 21,730 claims were submitted in violation of the FCA, and that the value of the claims submitted in violation of the FCA equals $39,313,065.00.

This matter now is before the court on post trial motions filed by the parties as follows:

1. Motion for damages and penalties under the FCA, which motion was filed by the Government on May 22, 2013 (ECF No. 818). Tuomey filed *784 a response in opposition on June 5, 2013, to which the Government filed a reply on June 24, 2013.

2. Second motion for summary judgment and/or judgment as a matter of law on the Government's equitable claims, which motion was filed June 5, 2013 (ECF No. 823). The Government filed a response in opposition on June 24, 2013, to which Tuomey filed a reply on July 12, 2013.

3. Motion to require election of remedies, which motion was filed by Tuomey on June 5, 2013 (ECF No. 824). The Government filed a response in opposition on June 24, 2013, to which Tuomey filed a reply on July 12, 2013.

4. Motion for judgment as a matter of law on Counts IV and V of the second amended complaint, which motion was filed by the Government on June 5, 2013 (ECF No. 826). Tuomey filed a response in opposition on June 24, 2013, to which the Government filed a reply on July 12, 2013.

5. Motion for judgment as a matter of law or in the alternative, for a new trial, which motion was filed by Tuomey on June 5, 2013 (ECF No. 827). The Government filed a response in opposition on July 8, 2013, to which Tuomey filed a reply on July 22, 2013. Tuomey also forwarded a letter to the court on September 12, 2013, in which it apprised the court of *United States ex rel. Ketroser v. Mayo Foundation*, 729 F.3d 825 (8th Cir.2013). The Government provided the court with a responsive letter on September 23, 2013.

III. *DISCUSSION*

The court will commence with Tuomey's motion for judgment as a matter of law, or in the alternative, for a new trial. The court's decision regarding Tuomey's motion will inform the disposition of the remaining motions.

Law/Analysis

A. *Judgment As a Matter of Law.*

Tuomey moves for judgment as a matter of law pursuant to Fed.R.Civ.P. 50(b), which provides:

> (b) RENEWING THE MOTION AFTER TRIAL; ALTERNATIVE MOTION FOR A NEW TRIAL. If the court does not grant a motion for judgment as a matter of law made under Rule 50(a), the court is considered to have submitted the action to the jury subject to the court's later

deciding the legal questions raised by the motion. No later than 28 days after the entry of judgment—or if the motion addresses a jury issue not decided by a verdict, no later than 28 days after the jury was discharged—the movant may file a renewed motion for judgment as a matter of law and may include an alternative or joint request for a new trial under Rule 59. In ruling on the renewed motion, the court may:

(1) allow judgment on the verdict, if the jury returned a verdict;

(2) order a new trial; or

(3) direct the entry of judgment as a matter of law.

|1| |2| |3| |4| A Rule 50(b) motion for judgment as a matter of law follows the same standard as a Rule 56 motion for summary judgment. *Pitrolo v. County of Buncombe*, 407 Fed.Appx. 657, 659 (4th Cir.2011) (citing *Dennis v. Columbia Colleton Med. Ctr.*, 290 F.3d 639, 644 (4th Cir.2002)). Therefore, when a jury has returned a verdict, the court may grant a Rule 50(b) motion for judgment as a matter of law only if, " 'viewing the evidence in a light most favorable to the non-moving *785 party (and in support of the jury's verdict) and drawing every legitimate inference in that party's favor, the only conclusion a reasonable jury could have reached is one in favor of the moving party.' " *Id.* (quoting *Int'l Ground Transp. v. Mayor & City Council of Ocean City*, 475 F.3d 214, 218–19 (4th Cir.2007)). If reasonable minds could differ, the court must affirm the jury's verdict. *Id.* (citing *Dennis*, 290 F.3d at 645). In drawing all reasonable inferences in favor of the non-movant, the court may not weigh the evidence or assess the credibility of the witnesses. *Id.* (citing *Dennis*, 290 F.3d at 645).

|5| 1. Tuomey first asserts that the Government failed to prove the physician contracts were subject to the Stark Law, because, as a matter of law, there was no proof that physician salaries *varied* with the volume or value of referrals. According to Tuomey, the physicians' compensation was based solely on collections for personally performed professional services. Tuomey contends that the evidence adduced at trial demonstrated that the each physician's base salary was derived from data regarding historical collections, and was designed to ensure that the contracting physicians performed services commensurate with the compensation they were receiving. Tuomey argues that, as such, the arrangements did not fall within the purview of the Stark Law, but instead were acceptable indirect compensation arrangements under 42 C.F.R. § 411.357(p).

The Government presented evidence of a one-to-one relationship between each doctor's aggregate compensation and the volume or value of the doctor's referrals of technical components to the hospital. The Government presented testimony wherein Tuomey acknowledged that each time one of the physicians performed a legitimate procedure on a Medicare patient at Tuomey's facility pursuant to his or her agreements, the physician's compensation would increase. In addition, the Government presented testimony that each time one of the physicians referred a patient to Tuomey's facility, Tuomey received a facility fee for the services that the hospital provided in connection with the referral.

In the court's view, a reasonable jury could have found the physicians' compensation varied with volume and value of the physicians' referrals to Tuomey. Tuomey's argument is without merit.

|6| 2. Tuomey next asserts that the physicians' contracts were not subject to the Stark Law because the Government failed to prove that the compensation under the physicians' contracts *took into account* the volume or value of referrals. In support of its contention, Tuomey relies on testimony of Kim Saccone. Ms. Saccone acknowledged that she had calculated the net present value of money Tuomey would lose in facilities fees if the physicians were to commence conducting endoscopies in their offices, as well as the net present value of professional fees the physicians would earn for those procedures. However, Ms. Saccone denied that her calculations were used in establishing any compensation plan. Further, Tuomey argues that the Stark Law is not implicated simply because Tuomey evaluated the financial impact of potential employment decision.

The court notes that the Government presented evidence from other witnesses tending to show that Tuomey took into account the volume or value of referrals, such as statements of Gregg Martin, William A. Pollard, and Jay Cox. Further, it was for the jury to judge Ms. Saccone's credibility regarding the use of her calculations and to consider her position along with other evidence in the record. A reasonable jury could have found that Tuomey took into account the volume or value *786 of referrals in establishing the physicians' compensation, so as to make the arrangements subject to the Stark Law. Tuomey's argument is without merit.

|7| 3. Tuomey next asserts that, assuming the physician contracts were encompassed within the Stark Law, the

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Government failed to introduce any evidence of referrals, and therefore failed to show the submission of a false claim. Tuomey contends that the number of false claims found by the jury was based solely on testimony by the Government's expert witness, Ruben Steck. According to Tuomey, Steck's conclusions about the number and dollar value of claims were based on his calculations of how many times one of the contracting physicians was listed on Medicare claims forms as an attending physician. Tuomey argues that the only references on pertinent forms are to "attending physician" and "other physician"; nothing on the pertinent forms identifies the "referring physician." Tuomey asserts that, because nothing in the hospital claims data reviewed by Steck identified referring physicians, his calculations were unreliable, and the jury's finding regarding the number of claims was based on pure speculation.

The court determined it was a jury question whether attending and operating physicians constituted referring physicians under the Stark Law. The court charged the jury the definition of "referring physician" from 42 U.S.C. § 1395nn(h)(5)(B). There was testimony by physicians that they undertook conduct in treating Medicare patients that falls within the definition of "referring physician" for purposes of the Stark Law. The court finds that a reasonable jury could have found evidence of the claims submitted in violation of the FCA. Tuomey's argument is without merit.

[8] 4. Next, Tuomey contends that, based on Tuomey's reliance on the advice of counsel, no reasonable jury could have found that the Government met its burden of proving scienter. Tuomey properly asserts that a defendant can be held liable under the FCA only for knowingly submitting a false claim. *See* 31 U.S.C. § 3729(a); *United States ex rel. Godfrey v. KBR, Inc.*, 360 Fed.Appx. 407, 410 (4th Cir.2010) (noting that to prevail under the FCA, the Government must prove (1) the defendant made a false statement or engaged in a fraudulent course of conduct; (2) such statement or conduct was made or carried out with the requisite scienter; (3) the statement or conduct was material; and (4) the statement or conduct caused the government to pay out money or to forfeit money due) (quoting *United States ex rel. Harrison v. Westinghouse Savannah River Co.*, 352 F.3d 908, 913 (4th Cir.2003)). Tuomey argues that the requisite scienter did not exist because Tuomey relied in good faith on advice of counsel.

The jury heard several days of testimony from Tuomey's counsel and others regarding the investigation undertaken by counsel in preparing the contracts at issue and counsel's considered opinions that the contracts did not violate the Stark Law. The jury also heard testimony that in May 2005 Tuomey and Drakeford jointly retained Kevin McAnaney to provide his opinion regarding the proposed contracts. McAnaney had served as Chief of the Industry Guidance Branch of the Office of Counsel to the Inspector General of the Department of Health and Human Services. As such, he had been responsible for issuing formal guidance to health care providers.

McAnaney expressed his concerns that the physician contracts were problematic. Among other things, McAnaney cautioned Tuomey that the terms of the contracts would raise a "red flag" and expose Tuomey to liability because, in his opinion, the *787 physicians were being paid in excess of fair market value for their services; the physicians would be making referrals to Tuomey, as prohibited by the Stark Law; the contracts contained "unusual" components, such as the existence of a lengthy ten-year term; and the contracts were risky in light of litigation pursued by the Government under similar scenarios. The jury heard testimony to the effect that Tuomey and counsel attempted to influence McAnaney in favor of Tuomey.[1] The jury also learned that, in September 2005, Tuomey terminated McAnaney's representation and directed him to not prepare a written opinion.

The parties agree that the jury evidently rejected Tuomey's advice of counsel defense commencing with Tuomey's knowledge of McAnaney's position, grounded on the fact that the jury excluded damages from fiscal year 2005 in making its determination. Although Tuomey argued at trial that McAnaney's opinion was "tainted" by Drakeford's counsel and that it responsibly followed up on McAnaney's comments by seeking an opinion from another attorney, Steve Pratt, a reasonable jury could have found that Tuomey possessed the requisite scienter once it determined to disregard McAnaney's remarks. Tuomey's argument is without merit.

5. Finally, Tuomey contends that it is entitled to judgment as a matter of law because the Government failed to prove damages. In addition to its contention that the evidence relied upon by the jury was speculative, Tuomey asserts that the Government received value in exchange for its payments to Tuomey. According to Tuomey, the Government received the medical services it paid for, and it paid the same amount it would have paid had the services been performed by another hospital. Relying on *United States ex rel. Harrison v. Westinghouse Savannah River Co.*, 352 F.3d 908, 913 (4th Cir.2003), Tuomey argues that the government received what

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it paid for, and therefore there were no actual damages under the FCA.

The court previously has rejected Tuomey's argument, and distinguished *Harrison* as based on a cause of action arising solely under the FCA. Here, the FCA causes of action are based on the Stark *788 Law, which prohibits *any* payment of an impermissible claim. Specifically, 42 U.S.C. § 1395nn(a) provides, in relevant part:

> (g) Sanctions
>
> (1) Denial of payment
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> No payment may be made under this subchapter for a designated health service which is provided in violation of subsection (a)(1) of this section.
>
> (1) Requiring refunds for certain claims
>
> If a person collects any amounts that were billed in violation of subsection (a)(1) of this section, the person shall be liable to the individual for, and shall refund on a timely basis to the individual, any amounts so collected.
>
> (3) Civil money penalty and exclusion for improper claims
>
> Any person that presents or causes to be presented a bill or a claim for a service that such person knows or should know is for a service for which payment may not be made under paragraph (1) or for which a refund has not been made under paragraph (2) shall be subject to a civil money penalty of not more than $15,000 for each such service. The provisions of section 1320a–7a of this title (other than the first sentence of subsection (a) and other than subsection (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1320a–7a(a) of this title.
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> (4) Civil money penalty and exclusion for circumvention schemes
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> Any physician or other entity that enters into an arrangement or scheme (such as a cross-referral arrangement) which the physician or entity knows or should know has a principal purpose of assuring referrals by the physician to a particular entity which, if the physician directly made referrals to such entity, would be in violation of this section, shall be subject to a civil money penalty of not more than $100,000 for each such arrangement or scheme. The provisions of section 1320a–7a of this title (other than the first sentence of subsection (a) and other than subsection (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1320a–7a(a) of this title.

Following Tuomey's argument to its logical conclusion, the Government nearly always would obtain a benefit in terms of health care services provided under Medicare or Medicaid. Thus, under most circumstances, the Government would be limited to civil penalties. Such a result is contrary to the plain wording of the statute, which prohibits payment of claims if those claims are the result of referrals from physicians with whom the hospital has a financial relationship, and mandates the refund of any amounts so collected. The court is aware of no exception or qualification that the amount of damages can be mitigated by the value of the medical services. *Accord United States v. Rogan*, 517 F.3d 449, 453 (7th Cir.2008) (deciding that the entire amount received on 1,812 claims must be reimbursed, regardless of whether the patients for which claims were submitted received medical care); cf. *United States ex rel. Roberts v. Aging Care Home Health, Inc.*, 474 F.Supp.2d 810 (W.D.La.2007) (awarding under equitable theories the full value of the claims the defendant submitted in violation of the Stark Law).

A reasonable jury could have concluded that Tuomey submitted 21,730 false claims and was improperly reimbursed $39,313,065.00. Tuomey's argument is without merit.

*789 **B. *Motion for a New Trial***

Tuomey moves for a new trial pursuant to Fed.R.Civ.P. 59(a), which provides:

> (a) In General.
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> (1) Grounds for New Trial. The court may, on motion, grant a new trial on all or some of the issues—and to any party—as follows:
>
> (A) after a jury trial, for any reason for which a new trial has heretofore been granted in an action at law in federal court....

[9] [10] A court should grant a new trial if (1) the verdict is against the clear weight of the evidence, or (2) is based upon evidence which is false, or (3) will result in a miscarriage of justice, even though there may be substantial evidence

that would prevent the direction of a verdict. *Watkins v. Castano*, 413 Fed.Appx. 568, 569 (4th Cir.2011) (quoting *Knussman v. Maryland*, 272 F.3d 625, 639 (4th Cir.2001)). In ruling on a motion for a new trial, a court weighs the evidence and considers the credibility of witnesses. *Maron v. Va. Polytechnic Inst. & State Univ.*, 508 Fed.Appx. 226 (4th Cir.2013) (citing *King v. McMillan*, 594 F.3d 301, 314 (4th Cir.2010)).

1. Tuomey first contends the jury's determination that Tuomey violated the Stark Law is against the clear weight of the evidence, because the Stark Law did not apply to the physician contracts. Tuomey again argues that the contracts at issue did not vary with, or take into account, the volume or value of referrals. The court disagrees. As noted hereinabove, the Government presented extensive evidence tending to rebut Tuomey's contention that the physician contracts fell outside the Stark Law. The court cannot say that the jury verdict is against the clear weight of the evidence. Tuomey's argument is without merit.

2. Tuomey next asserts that it proved that it reasonably relied on and followed the advice of counsel in constructing the physician contracts at issue. Tuomey contends that it sought the advice of counsel in good faith after identifying a risk of not having enough surgical specialists available to meet its needs. Tuomey asserts that it provided full and accurate information to counsel, including McAnaney and Pratt. Tuomey further asserts that it reasonably relied on experienced counsel's representations that the contract provisions complied with all laws, including the Stark Law; that the physician compensation did not vary with or take into account the volume or value of referrals or the hospital's technical fees; and that the fair market analysis was reliable.

Tuomey further contends that it was justified in relying upon counsel to evaluate McAnaney's comments and relying upon counsel's fundamental disagreement with McAnaney's criticism whether the physicians would be receiving fair market value for their services, as well as counsel's assessment that McAnaney no longer was a neutral party but had been influenced by Drakeford's counsel. Tuomey observes that it obtained the opinion of Pratt, who advised Tuomey that the Stark Law did not apply to the physician contracts, subsequent to McAnaney's remarks and thus was justified in rejecting McAnaney's apprehensions.

For the reasons discussed above and included in the record, credible evidence was presented at trial from which a jury could reject Tuomey's advice of counsel defense once Tuomey determined to disregard McAnaney's admonitions in favor of moving forward with the physician contracts. The court cannot say that the jury verdict is against the clear weight of the evidence. Tuomey's argument is without merit.

*790 3. Tuomey asserts that Steck's summary evidence was based on an unreliable and inaccurate, and hence inadmissible, reporting by the underlying data collection agency. Thus, according to Tuomey, the jury verdict that Tuomey violated the FCA is against the clear weight of the evidence.

On October 15, 2013, the Government filed a motion in limine seeking, among other things, to preclude Tuomey from challenging the authenticity or reliability of the underlying data. *See* Mot. In Limine Concerning the Data Concerning the Number and Value of Claims, ECF No. 670. The court held a hearing on January 15, 2013, at which time it denied the Government's motion, leaving Tuomey free to attack the underlying data during trial. Significantly, Tuomey does not argue that the court erred in allowing the Government to present summary evidence based upon inadmissible data, that it was precluded from cross-examining Steck, or that it was precluded from introducing its own expert testimony to counter Steck's computations. Rather, Tuomey pursued a trial strategy of denying application of the Stark Law in the first instance. Consequently, Tuomey elected not to challenge the Government at trial with respect to the underlying data, or to present an alternate methodology by which the jury could assess Steck's computations.

The court cannot say that the jury verdict is against the clear weight of the evidence. Tuomey's argument is without merit.

[11] 4. Tuomey next contends that, because the damage award rested on speculation, Tuomey is entitled to a new trial *nisi remittitur* on damages. Tuomey asserts that the jury was required to determine which of the 21,730 claims were for outpatient services that were performed by Tuomey pursuant to a referral from one of the contracting physicians. In support of its argument, Tuomey argues that Steck's numbers are grossly inflated and included claims when the contracting physician was not the attending physician, claims for patients admitted through the emergency room and thus "self-referred," and outpatient claims when contracting physician was not the referring physician.

As noted previously, Tuomey was entitled to offer its own expert and its own alternate damages calculations, but elected not to do so. Nevertheless, Tuomey thoroughly cross-examined Steck and challenged his conclusions. The jury heard the evidence presented to it, judged the credibility of Steck, and adopted his calculation of damages.

The court cannot say that the jury verdict is against the clear weight of the evidence. Tuomey's argument is without merit.

5. Tuomey asserts that a new trial is necessary to avoid a miscarriage of justice. Tuomey reiterates its argument that the Stark Law did not apply to the physician contracts because the physicians' compensation did not vary with or take into account their referrals to Tuomey. Tuomey again asserts that the Government did not prove any referrals to Tuomey by the physicians, and that the Government's claims and damages are excessive and based upon unreliable data. Finally, Tuomey again urges that it relied on the advice of counsel in good faith throughout the conception, design, and implementation of the physician contracts. Tuomey contends that the Government confused the jury and incorrectly led it to believe that "if Tuomey talked or thought about referrals then it had violated Stark and the FCA." Mot. For Judg. As a Matter of Law, or in the Alternative, for a New Trial 53, ECF No. 827–1. Tuomey contends that the Government misused evidence of intent to support *791 its theory that Tuomey "had bad intent (i.e., to stifle competition) and was greedy (i.e., it wanted to force patients to pay more by having procedures done at Tuomey)." *Id.* at 54. Tuomey states that allowing a verdict to stand that is the product of improper and misleading argument renders a grave injustice.

The court has determined that a reasonable jury could have found in favor of the Government and rendered a verdict in the amount awarded. The court further has determined that the verdict is not against the clear weight of the evidence. It follows that allowing the jury verdict to stand will not result in a miscarriage of justice. Tuomey's argument is without merit.

The court has reviewed *United States ex rel. Ketroser v. Mayo Foundation*, 729 F.3d 825 (8th Cir.2013), offered by Tuomey in support of its contention that the Government failed to prove the requisite scienter needed to violate the FCA. In *Ketroser*, the Court of Appeals for the Eighth Circuit found that a Medicare regulation was unclear as to whether a written report of a pathologist's examination of a tissue slide was required to be prepared as a condition of reimbursement. The Eighth Circuit determined that the defendant's reasonable interpretation of any ambiguity inherent in the regulation "belies the scienter necessary to establish a claim of fraud under the FCA." *Id.* at 832. *Ketroser* is distinguishable from the case at bar. There is no question that compliance with the Stark Law is a condition of payment by Medicare.

* * *

For the reasons stated, Tuomey's motion for judgment as a matter of law, or, in the alternative, for a new trial (ECF No. 827), is denied. The court affirms the jury verdict. The court now turns to the parties' motions regarding the Government's state law claims for equitable relief.

C. *Defendant's Renewed Motion for Summary Judgment and/or Judgment as a Matter of Law on Government's Equitable Claims*

Defendant's Motion to Require Election of Remedies

United States' Motion for Entry of Judgment on Counts IV and V of the Second Amended Complaint

The three motions referenced in this section concern Tuomey's equitable remedies of mistake of fact and unjust enrichment. Tuomey asserts in its motion for summary judgment and/or judgment as a matter of law that the Government is barred from seeking to recover money damages based on its equitable state law claims because the Government has an adequate remedy at law, i.e., monetary damages for violation of the FCA, as found by the jury. Tuomey moves the court to dismiss with prejudice the equitable causes of action and enter judgment in favor of Tuomey on those counts.

In its motion to require election of remedies, Tuomey argues that, now that a jury verdict has been rendered on the FCA cause of action, it is appropriate to require the Government to choose its remedy as between its legal claim under the FCA and its equitable state law claims.

In its motion for summary judgment, the Government concedes that it has elected to pursue its remedies under the FCA, but seeks judgment in its favor under the state law claims in the event the FCA verdict or judgment are set aside or vacated on appeal. The Government asserts that it is entitled to recover $44,888,651.00, plus applicable prejudgment interest. The Government contends that it does not seek duplicative relief and states that, once the Government's judgment under the FCA *792 becomes final

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and unappealable, $39,313,065.00 of the alternative judgment under Counts IV and V, as well as the associated interest payment, would be subsumed within the FCA judgment.

[12] It is well settled that a suit in equity will not lie when there is an adequate remedy at law. *Banner Life Ins. Co. v. Noel*, 505 Fed.Appx. 250, 254 n. 4 (4th Cir.2013) (quoting *Catholic Soc. of Relig. Literary Educ. v. Madison Cnty.*, 74 F.2d 848, 850 (4th Cir.1935)). At present, the jury has found in favor of the Government and awarded monetary damages as it deemed appropriate. The court declines to enter judgment in favor of the Government or otherwise rule on the Government's equitable state law claims when it has prevailed on its FCA causes of action. Accordingly, Tuomey's motion for summary judgment and/or judgment as a matter of law (ECF No. 823) and motion to require election of remedies (ECF No. 824) are denied, without prejudice. The Government's motion for entry of judgment on Counts IV and V of the second amended complaint (ECF No. 826) also is denied, without prejudice.

D. *United States' Motion for Entry of Judgment Under the False Claims Act*

The Government moves the court to enter judgment for a civil penalty for the 21,730 false claims the jury determined Tuomey submitted in violation of the Stark Law.

Title 31, United States Code, Section 3729(a) provides that any person who knowingly presents, or causes to be presented, to the United States a false or fraudulent claim for payment or approval, is liable to the United States Government for a civil penalty of not less than $5,000.00 and not more than $10,000.00, as adjusted by the Federal Civil Penalties Inflation Act of 1990, plus three times the amount of damages that the Government sustains because of the act of that person. The minimum civil penalty set forth in § 3729(a) was raised effective September 29, 1999 to $5,500.00, and the maximum civil penalty was raised to $11,000.00. *See* 28 C.F.R. § 85.3(a)(9). The Government contends that it is entitled by law to an assessment of $119,515,000 ($5,500 X 21,730), plus damages of three times the jury verdict, or $117,939,195 ($39,313,065 X 3), for a total civil penalty of $237,454,195.00.

In response to the Government's motion, Tuomey generally reasserts its arguments raised in its Rule 50(b) and Rule 59(a) motions, specifically, (1) the Government failed to prove the submission of any false claims; and (2) the Government failed to prove or provide evidence of any damages. The court finds Tuomey's arguments to be without merit for the reasons stated hereinabove.

[13] [14] [15] Tuomey urges that the Government's demand for trebling of the jury verdict and civil penalties of $119,515,000.00 is barred by the excessive fines provision of the Eighth Amendment. The Excessive Fines Clause of the Eighth Amendment prohibits the government from imposing excessive fines as punishment. *Korangy v. U.S. Food & Drug Admin.*, 498 F.3d 272, 277 (4th Cir.2007). While Eighth Amendment claims often arise in the criminal context, civil sanctions may fall within the scope of the amendment. *Id.* (citing cases). Civil fines serving remedial purposes do not fall within the reach of the Eighth Amendment. *Id.* However, if a civil sanction " 'can only be explained as serving in part to punish,' " then the fine is subject to the Eighth Amendment. *Id.* (quoting *Austin v. United States*, 509 U.S. 602, 610, 113 S.Ct. 2801, 125 L.Ed.2d 488 (1993)). If the civil penalty is punitive and thus subject to the *793 Eighth Amendment, it will be found constitutionally excessive only if it is " 'grossly disproportional to the gravity of [the] offense.' " *Id.* (quoting *United States v. Bajakajian*, 524 U.S. 321, 118 S.Ct. 2028, 141 L.Ed.2d 314 (1998)).

[16] There is some authority for the proposition that damages imposed under the FCA are essentially punitive in nature. *See Vermont Agency of Nat'l Res. v. United States ex rel. Stevens*, 529 U.S. 765, 784–85, 120 S.Ct. 1858, 146 L.Ed.2d 836 (2000) ("The very idea of treble damages reveals an intent to punish past, and to deter future, unlawful conduct, not to ameliorate the liability of wrongdoers.") (quoting *Texas Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630, 639, 101 S.Ct. 2061, 68 L.Ed.2d 500 (1981)). However, the United States Supreme Court subsequently interpreted its language in *Vermont Agency* as providing a reason not to read "person" to include a State. *Cook County v. United States ex rel. Chandler*, 538 U.S. 119, 130, 123 S.Ct. 1239, 155 L.Ed.2d 247 (2003). The Court observed that "treble damages have a compensatory side, serving remedial purposes in addition to punitive objectives." *Id.* The Court further noted that "some liability beyond the amount of the fraud is usually 'necessary to compensate the Government completely for the costs, delays, and inconveniences occasioned by fraudulent claims.' " *Id.* (quoting *United States v. Bornstein*, 423 U.S. 303, 315, 96 S.Ct. 523, 46 L.Ed.2d 514 (1976)). The Court explained:

> The most obvious indication that the treble damages ceiling has a remedial place under this statute is its qui

> tam feature with its possibility of diverting as much as 30 percent of the Government's recovery to a private relator who began the action. In qui tam cases the rough difference between double and triple damages may well serve not to punish, but to quicken the self-interest of some private plaintiff who can spot violations and start litigating to compensate the Government, while benefitting himself as well. The treble feature thus leaves the remaining double damages to provide elements of make-whole recovery beyond mere recoupment of the fraud. It may also be necessary for full recovery even when there is no qui tam relator to be paid. The FCA has no separate provision for prejudgment interest, which is usually thought essential to compensation, and might well be substantial given the FCA's long statute of limitations[.] Nor does the FCA expressly provide for the consequential damages that typically come with recovery for fraud[.]

Id. at 131, 123 S.Ct. 1239. The Court also expressed its opinion that the treble damages provision "was, in a way, adopted by Congress as a substitute for consequential damages." *Id.* at 131 n. 9, 123 S.Ct. 1239. At bottom, the Court recognized a difference between governmental entities and private parties being subject to treble damages, finding that where a governmental agency is involved, the question is whether "the local taxpayer should make up for an undeserved benefit, or the federal taxpayer be permanently out of pocket...." *Id.* at 131, 123 S.Ct. 1239. The court cannot say that the civil penalties authorized by Congress with respect to the FCA are grossly disproportional to the gravity of Tuomey's offense.[2] Tuomey's *794 conduct as found by the jury calls into question the efficacy of administering the Medicaid and Medicare programs and promotes self-interest to the detriment of federal taxpayers. Tuomey's contention is without merit.

Finally, Tuomey argues that, if any false claims were submitted, the Government offered competent evidence only with respect to certification pages from four Medicare cost reports filed by Tuomey. Tuomey argues that the particular forms that were the source of information summarized by Steck–UB–92/UB–04 forms—did not constitute "claims" under the FCA. Tuomey argues that, at most, it should be held liable for civil penalties of $22,000.00 ($5,500.00 X 4).

The court has found that a reasonable jury could conclude the existence of 21,730 false claims. The court is not inclined to overturn the jury's determination. Tuomey's argument is without merit. The Government's motion for entry of judgment under the FCA (ECF No. 818) is granted.

IV. *CONCLUSION*

For the reasons stated herein and appearing in the record, the Government's motion for damages and penalties under the FCA (ECF No. 818) is granted. The Government's second motion for summary judgment and/or judgment as a matter of law on the Government's equitable claims (ECF No. 823) is denied, without prejudice. Tuomey's motion to require election of remedies is denied, without prejudice. The Government's motion for judgment as a matter of law on Counts IV and V of the second amended complaint (ECF No. 826) is denied, without prejudice. Tuomey's motion for judgment as a matter of law or in the alternative, for a new trial (ECF No. 827) is denied. The Clerk of Court shall enter judgment under the FCA in the amount of $237,454,195.00, plus interest at the legal rate.

IT IS SO ORDERED.

All Citations

976 F.Supp.2d 776

Footnotes

1 The Government introduced an email exchange between Tuomey's counsel and a representative of Tuomey that reads as follows:

> (From Tuomey to counsel): [T]his all sounds good. I do remain a little worried that McAnaney may be predisposed to refute the credibility of the plans. I can't help but believe that Dr. Drakeford may have encouraged [his counsel]

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to find as much fault with our proposals as possible and to have him conclude that if ANY risk exists to advise them not to pursue the plans.

So.....First and foremost I want an open and honest review but after stating that I am suspect of their motives, I'll state that I have my own. I believe the outcome (after all the scrutiny and advice we have received) should be as we have defined it to date. That is, that both plans are not without some risk, that each has to be implemented as designed to work and manage that risk, and that either could be challenged, but that both are defensible as we understand the legal environment today. I think it is key that we not let McAnaney and/or Smith conclude that because some risk exists that Smith's client should not participate. We know that the risk of challenge exists.....the issue is whether or not the plans are defensible.

Just my two cents worth.....

(Response from counsel to Tuomey): I share your concerns and have already tried to steer McAnaney towards your desired outcome. I talked to McAnaney at some length earlier this week providing extensive background on Tuomey's compliance due diligence as to both deals and why we concluded that they were both defensible. I wish I had a better feel for Drakeford's end game strategy, but we'll just have to continue playing along and influence the outcome of the game as best we can.

2 Tuomey also argues that the amount of damages demanded by the Government would violate Tuomey's rights under the Due Process Clause of the Fifth Amendment. Tuomey notes that the imposition of punitive damages can violate the due process rights of defendants if they are excessive. *See State Farm Mut. Auto. Ins. v. Campbell*, 538 U.S. 408, 424–25, 123 S.Ct. 1513, 155 L.Ed.2d 585 (2003). Because the court finds that the civil penalties set forth in the FCA are neither punitive nor excessive under the circumstances, the court need not address this argument.

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EXHIBIT 9

792 F.3d 364
United States Court of Appeals,
Fourth Circuit.

UNITED STATES ex rel. Michael K. DRAKEFORD, M.D., Plaintiff–Appellee,
v.
TUOMEY, d/b/a Tuomey Healthcare System, Inc., Defendant–Appellant.
American Hospital Association; South Carolina Hospital Association, Amici Supporting Appellant.

No. 13–2219.

Argued: Oct. 31, 2014.

Decided: July 2, 2015.

Synopsis

Background: United States brought qui tam action against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted 21,730 false claims to Medicare for reimbursement. Following jury trial, the Court of Appeals, Duncan, J., 675 F.3d 394, reversed and remanded. After a second jury trial, a verdict was returned against provider. The United States District Court for the District of South Carolina, Margaret B. Seymour, J., 976 F.Supp.2d 776, entered judgment for government and awarded treble damages and civil penalties. Health care provider appealed.

Holdings: The Court of Appeals, Diaz, Circuit Judge, held that:

[1] District Court abused its discretion by granting new trial on ground it had improperly excluded deposition testimony of provider's executive vice president and chief executive officer (CEO); but

[2] District Court did not abuse its discretion in granting new trial on ground that government was prejudiced by exclusion of attorney's testimony;

[3] issue of whether provider violated Stark Law was for jury;

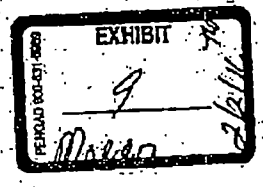
[4] evidence supported jury's verdict finding that provider violated FCA;

[5] District Court did not abuse its discretion in issuing, or declining to issue, various jury instructions; and

[6] award of damages and civil penalties did not violate Fifth or Eighth Amendments.

Affirmed.

Wynn, Circuit Judge, issued concurring opinion.



West Headnotes (41)

[1] Health
⇐ Providers

Under the Stark Law, a hospital may not submit for payment a Medicare claim for services rendered pursuant to a prohibited referral. Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[2] Health
⇐ Providers

The Stark Law is intended to prevent overutilization of services by physicians who stand to profit from referring patients to facilities or entities in which they have a financial interest. Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[3] United States
⇐ Evidence

Once a relator or the government in qui tam action under False Claims Act (FCA) has established the elements of a Stark Law violation, it becomes the defendant's burden to show that the indirect compensation arrangement exception shields it from liability. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[4] Federal Courts
⇦ New Trial; Rehearing, or Reconsideration

The Court of Appeals reviews a district court's decision to grant a new trial for abuse of discretion.

Cases that cite this headnote

[5] Federal Courts
⇦ Admission or exclusion in general

Court of Appeals reviews the district court's decision to exclude evidence for an abuse of discretion.

Cases that cite this headnote

[6] Federal Courts
⇦ Abuse of discretion in general
Federal Courts
⇦ Necessity That Error Be Prejudicial

A district court abuses its discretion when it makes an error of law in excluding evidence; however, the Court of Appeals may reverse a district court only if its evidentiary error affects a party's substantial rights.

Cases that cite this headnote

[7] Federal Courts
⇦ Theory and Grounds of Decision of Lower Court

The Court of Appeals may affirm a district court's ruling on any ground apparent in the record.

1 Cases that cite this headnote

[8] Federal Civil Procedure
⇦ Evidence

District Court abused its discretion in granting new trial, in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, on ground that it had improperly excluded deposition excerpts of provider's executive vice president and chief executive officer (CEO); court made no effort to assess whether error was harmless, which it was, as probative value of evidence was weak at best, and excluding it did not negatively affect government's substantial rights. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[9] Federal Civil Procedure
⇦ Evidence

District Court did not abuse its discretion in granting new trial, in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, on ground that government was prejudiced by exclusion of testimony of attorney consulted by provider and other related evidence of attorney's warnings to provider regarding agreements' probable violations of Stark Law; testimony was relevant, and indeed essential, component of government's evidence as to whether provider knew there was a substantial risk that agreements violated Stark Law and was either deliberately ignorant of, or reckless disregarded, that fact, and provider offered no good reason why jury should not have heard testimony. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[10] Evidence
⇦ What constitutes offer

In qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and

then knowingly submitted false claims to Medicare for reimbursement, testimony of attorney consulted by provider, and other related evidence of attorney's warnings to provider regarding agreements' probable violations of Stark Law did not constitute inadmissible offer of compromise or settlement, as attorney was not retained to help compromise or settle any disputed claim between provider and physician who declined to enter into agreement. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn; Fed.Rules Evid.Rule 408, 28 U.S.C.A.

Cases that cite this headnote

[11] Evidence
⇐ Offers of Compromise or Settlement

Federal Rule of Evidence mandates the exclusion of evidence relating to offers to compromise or settle disputed claims if the evidence is being offered to prove liability on the claim. Fed.Rules Evid.Rule 408, 28 U.S.C.A.

Cases that cite this headnote

[12] Federal Courts
⇐ Taking case or question from jury; judgment as a matter of law

Federal Courts
⇐ Taking case or question from jury; judgment as a matter of law

The Court of Appeals reviews the district court's denial of a motion for judgment as a matter of law de novo, viewing all the evidence in the light most favorable to the prevailing party, and drawing all reasonable inferences in its favor.

Cases that cite this headnote

[13] Federal Courts
⇐ Taking case or question from jury; judgment as a matter of law

On a motion for judgment as a matter of law, the Court of Appeals will reverse the district court if a reasonable jury could rule only in favor of the moving party.

Cases that cite this headnote

[14] United States
⇐ Trial and judgment

Issue of whether health care provider violated Stark Law by paying aggregate compensation to physicians, under part-time employment contracts, that varied with or took into account the volume or value of actual or anticipated referrals to provider was for jury in qui tam action, under False Claims Act (FCA), brought by United States against provider. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[15] United States
⇐ Intent

Under the False Claims Act (FCA), the term "knowingly" means that a person, with respect to information contained in a claim: (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. 31 U.S.C.A. § 3729(b)(1).

Cases that cite this headnote

[16] United States
⇐ Intent

The purpose of the False Claims Act's (FCA) scienter requirement is to avoid punishing honest mistakes or incorrect claims submitted through mere negligence. 31 U.S.C.A. § 3729(b)(1).

1 Cases that cite this headnote

[17] United States
⇐ Evidence

Evidence that health care provider disregarded its outside counsel's assessment that part-time employment agreements with physicians, which paid aggregate compensation that varied with or took into account the volume or value of actual or anticipated referrals to provider,

would likely violate Stark Law and would be easy case for government to prosecute, and instead relied on opinions of other retained attorneys that agreements posed no Stark Law concerns was sufficient to prove provider did not reasonably rely on advice of counsel and then knowingly submitted false claims to Medicare for reimbursement, as required to support jury's verdict finding that provider violated False Claims Act (FCA). 31 U.S.C.A. § 3729(b)(1).

Cases that cite this headnote

[18] United States
Intent

A defendant may avoid liability under the False Claims Act (FCA) if it can show that it acted in good faith on the advice of counsel. 31 U.S.C.A. § 3729(a)(1)(A), (b)(2)(A)(i).

1 Cases that cite this headnote

[19] United States
Intent

Consultation with a lawyer confers no automatic immunity from the legal consequences of conscious fraud under the False Claims Act (FCA). 31 U.S.C.A. § 3729(a)(1)(A), (b)(2)(A)(i).

Cases that cite this headnote

[20] United States
Intent

To establish the advice-of-counsel defense to liability under False Claims Act (FCA), the defendant must show: (1) full disclosure of all pertinent facts to counsel, and (2) good faith reliance on counsel's advice. 31 U.S.C.A. § 3729(a)(1)(A), (b)(2)(A)(i).

Cases that cite this headnote

[21] Federal Civil Procedure
Construction and Effect of Charge as a Whole

Federal Courts
Instructions

The Court of Appeals reviews a district court's decision to give or not give a jury instruction; and the content of an instruction, for abuse of discretion; the Court's task on review is to determine whether the instructions, construed as a whole and in light of the whole record, adequately informed the jury of the controlling legal principles without misleading or confusing the jury to the prejudice of the objecting party.

Cases that cite this headnote

[22] Federal Courts
Failure or refusal to instruct; modification of request

The Court of Appeals will reverse the district court's decision not to give a party's proposed instruction only when the requested instruction: (1) was correct; (2) was not substantially covered by the court's charge to the jury; and (3) dealt with some point in the trial so important that failure to give the requested instruction seriously impaired that party's ability to make its case.

Cases that cite this headnote

[23] United States
Trial and judgment

District Court did not abuse its discretion, in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, by declining to give jury instruction that question was whether health care provider's compensation agreements with physicians took into account the value or volume of anticipated referrals; government was not limited in presenting evidence as to provider's intent to violate the FCA, but rather, could not rely on such evidence alone to show a violation. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[24] **United States**
⇨ Trial and judgment

District Court did not abuse its discretion, in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, by declining to give separate instruction to jury on knowledge element in Stark Law regulations' definition of an indirect compensation agreement; court instructed jury as to how provider would have acted knowingly under FCA, and as jury found provider possessed requisite scienter under FCA, it necessarily also found provider knew its contracts varied with or took into account referrals. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn; 42 C.F.R. § 411.354(c)(2)(iii).

Cases that cite this headnote

[25] **United States**
⇨ Trial and judgment

District Court did not abuse its discretion, in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, by refusing to charge the jury that claims based upon differences of interpretation of disputed legal questions were not false under FCA; when submitting claims to government, provider was required to certify its compliance with Stark Law, and jury found that provider violated Stark Law, thereby making provider's certification false. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[26] **Federal Courts**
⇨ Damages or Other Monetary Relief

The Court of Appeals ordinarily reviews a court's calculation of damages for clear error; however, to the extent the claim is that the calculations are influenced by legal error, the Court of Appeals's review is de novo.

Cases that cite this headnote

[27] **Federal Courts**
⇨ Damages or Other Monetary Relief

The constitutionality of a damages award is a legal question reviewed de novo by the Court of Appeals.

Cases that cite this headnote

[28] **United States**
⇨ Trial and judgment

In qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, jury instruction properly allowed jury to factor both inpatient and outpatient procedures performed by physicians when imposing civil penalty; although agreements solely addressed compensation for outpatient procedures, if physician had financial relationship with hospital, Stark Law prohibited physician from making any referral to hospital for furnishing of designated health services. 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[29] **United States**
⇨ Evidence

Summary evidence and testimony detailing fraudulent Medicare claims submitted by health care provider, which came about through physician referrals prohibited by Stark Law, were sufficient to support jury's damages award in qui tam action brought by government against health care provider, alleging submission of

fraudulent claims violated False Claims Act (FCA). 31 U.S.C.A. §§ 3729-3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[30] United States
Civil penalties

In qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law, and then knowingly submitted false claims to Medicare for reimbursement, District Court properly determined each of 21,730 claims constituted separate claim, rather than four Medicare cost reports, for purposes of imposing civil penalty under FCA. 31 U.S.C.A. § 3729(a)(1); Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

[31] Health
Providers

Compliance with the Stark Law is a condition precedent to reimbursement of claims submitted to Medicare. Stark Law, § 1877(g)(1), 42 U.S.C.A. § 1395nn(g)(1).

Cases that cite this headnote

[32] Fines
Excessive fines

The Excessive Fines Clause of the Eighth Amendment prohibits the government from imposing excessive fines as punishment. U.S.C.A. Const.Amend. 8.

1 Cases that cite this headnote

[33] Fines
Excessive fines

Civil fines serving remedial purposes do not fall within the reach of the Eighth Amendment; however, where a civil sanction can only be explained as serving in part to punish, then the fine is subject to the Eighth Amendment. U.S.C.A. Const.Amend. 8.

1 Cases that cite this headnote

[34] Fines
Excessive fines

A civil sanction, only explained as serving in part to punish, will be found constitutionally excessive under Excessive Fines Clause of Eighth Amendment only if it is grossly disproportional to the gravity of the offense. U.S.C.A. Const.Amend. 8.

1 Cases that cite this headnote

[35] Constitutional Law
Penalties, fines, and sanctions in general

The Due Process Clauses impose substantive limits beyond which penalties may not go. U.S.C.A. Const.Amends. 5, 14.

Cases that cite this headnote

[36] Constitutional Law
Damages in general

Fines
Excessive fines

Like the Eighth Amendment, the Due Process Clause does not apply to compensatory damage awards, because compensatory damages redress the concrete loss the plaintiff has suffered by reason of the defendant's wrongful conduct, and the assessment of the plaintiff's injury is essentially a factual determination. U.S.C.A. Const.Amends. 5, 8.

Cases that cite this headnote

[37] Constitutional Law
Penalties, fines, and sanctions in general

The Due Process Clause imposes limits on "grossly excessive" monetary penalties that go beyond what is necessary to vindicate the government's legitimate interests in punishment and deterrence. U.S.C.A. Const.Amend. 5.

Cases that cite this headnote

[38] **United States**
⇐ Damages
United States
⇐ Double or treble damages

False Claims Act (FCA) imposes damages that are essentially punitive in nature; however, the treble damages provision of the statute has a compensatory aspect, in that they account for the fact that some amount of money beyond actual damages is necessary to compensate the government completely for the costs, delays, and inconveniences occasioned by fraudulent claims, and provision allows government to recover some measure of the amount it must pay to compensate relators in qui tam actions. 31 U.S.C.A. §§ 3729–3733.

Cases that cite this headnote

[39] **Constitutional Law**
⇐ Punitive damages

Courts are to consider three guideposts when reviewing punitive damages awards under the Due Process Clause: (1) the degree of reprehensibility of the defendant's misconduct; (2) the disparity between the actual or potential harm suffered by the plaintiff and the punitive damages award; and (3) the difference between the punitive damages awarded by the jury and the civil penalties authorized or imposed in comparable cases. U.S.C.A. Const.Amend. 5.

Cases that cite this headnote

[40] **Constitutional Law**
⇐ Punitive damages

The degree of reprehensibility of a defendant's conduct is perhaps the most important indicium of the reasonableness of a punitive damages award under Due Process Clause. U.S.C.A. Const.Amend. 5.

Cases that cite this headnote

[41] **Constitutional Law**
⇐ Medicare
Constitutional Law
⇐ Damages in general
Fines
⇐ Excessive fines
United States
⇐ Particular amounts
United States
⇐ Civil penalties

Award of damages and civil penalties in amount of $237,454,195 did not violate Due Process Clause or Excessive Fines Clause of Eighth Amendment in qui tam action brought by United States against health care provider under False Claims Act (FCA), alleging provider entered into compensation arrangements with certain physicians that violated the Stark Law and knowingly submitted 21,730 false claims to Medicare for reimbursement; damages and penalties against provider were congressionally prescribed, provider's conduct involved repeated knowing action, and ratio of punitive damages to compensatory damages arising from trebled damage award and penalties fell under four to one ratio deemed constitutionally suspect. U.S.C.A. Const.Amends. 5, 8; 31 U.S.C.A. §§ 3729–3733; Stark Law, § 1877, 42 U.S.C.A. § 1395nn.

Cases that cite this headnote

Attorneys and Law Firms

*369 **ARGUED:** Helgi C. Walker, Gibson, Dunn & Crutcher, LLP, Washington, D.C., for Appellant. Tracy Lyle Hilmer, United States Department of Justice, Washington, D.C., for Appellee. **ON BRIEF:** James M. Griffin, Margaret N. Fox, A. Camden Lewis, Lewis, Babcock & Griffin, LLP, Columbia, South Carolina; Daniel M. Mulholland III, Horty Springer & Mattern, Pittsburgh, Pennsylvania; E. Bart Daniel, Charleston, South Carolina, for Appellant. *370 Stuart F. Delery, Assistant Attorney General, Michael D. Granston, Michael S. Raab, Civil Division, United States Department of Justice, Washington, D.C.; G. Norman Acker, III, Assistant United States Attorney, Office of the United States Attorney, Raleigh, North Carolina, for Appellee. Melinda R. Hatton, Maureen D. Mudron, American Hospital Association,

Washington, D.C.; Jessica L. Ellsworth, Amanda K. Rice, Hogan Lovells U.S. LLP, Washington, D.C., for Amici Curiae.

Before DUNCAN, WYNN, and DIAZ, Circuit Judges.

Opinion

Affirmed by published opinion. Judge DIAZ wrote the majority opinion, in which Judge DUNCAN joined. Judge WYNN wrote a separate opinion concurring in the judgment.

DIAZ, Circuit Judge:

In a qui tam action in which the government intervened, a jury determined that Tuomey Healthcare System, Inc., did not violate the False Claims Act ("FCA"), 31 U.S.C. §§ 3729–33 (2012).[1] The district court, however, vacated the jury's verdict and granted the government a new trial after concluding that it had erroneously excluded excerpts of a Tuomey executive's deposition testimony. The jury in the second trial found that Tuomey knowingly submitted 21,730 false claims to Medicare for reimbursement. The district court then entered final judgment for the government and awarded damages and civil penalties totaling $237,454,195.

Tuomey contends that the district court erred in granting the government's motion for a new trial. Tuomey also lodges numerous other challenges to the judgment entered against it following the second trial. It argues that it is entitled to judgment as a matter of law (or, in the alternative, yet another new trial) because it did not violate the FCA. In the alternative, Tuomey asks for a new trial because the district court failed to properly instruct the jury. Finally, Tuomey asks us to strike the damages and civil penalties award as either improperly calculated or unconstitutional.

We conclude that the district court correctly granted the government's motion for a new trial, albeit for a reason different than that relied upon by the district court. We also reject Tuomey's claims of error following the second trial. Accordingly, we affirm the district court's judgment.

I.

A.

Tuomey is a nonprofit hospital located in Sumter, South Carolina, a small, largely rural community that is a federally-designated medically underserved area. At the time of the events leading up to this lawsuit, most of the physicians that practiced at Tuomey were not directly employed by the hospital, but instead were members of independent specialty practices.

Beginning around 2000, doctors who previously performed outpatient surgery at Tuomey began doing so in their own offices or at off-site surgery centers. The loss of this revenue stream was a source of grave concern for Tuomey because it collected substantial facility fees from patients who underwent surgery at the hospital's outpatient center. Tuomey estimated that it stood to lose $8 to $12 million over a thirteen-year period from the loss of fees associated with gastrointestinal procedures alone. To stem this loss, Tuomey *371 sought to negotiate part-time employment contracts with a number of local physicians.

[1] In drafting the contracts, Tuomey was well aware of the constraints imposed by the Stark Law. While we discuss the provisions of that law in greater detail below, in broad terms, the statute, 42 U.S.C. § 1395nn, prohibits physicians from making referrals to entities where "[t]he referring physician ... receives aggregate compensation ... that varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity furnishing" the designated health services. 42 C.F.R. § 411.354(c)(2)(ii) (2014). Pursuant to the Stark Law, "[a] hospital may not submit for payment a Medicare claim for services rendered pursuant to a prohibited referral." *United States ex rel. Drakeford v. Tuomey Healthcare Sys., Inc.*, 675 F.3d 394, 397–98 (4th Cir.2012).

Beginning in 2003, Tuomey sought the advice of its longtime counsel, Nexsen Pruet, on the Stark Law implications arising from the proposed employment contracts. Nexsen Pruet in turn engaged Cejka Consulting, a national consulting firm that specialized in physician compensation, to provide an opinion concerning the commercial reasonableness and fair market value of the contracts. Tuomey also conferred with Richard Kusserow, a former Inspector General for the United States Department of Health and Human Services, and later, with Steve Pratt, an attorney at Hall Render, a prominent healthcare law firm.

The part-time employment contracts had substantially similar terms. Each physician was paid an annual guaranteed base

salary. That salary was adjusted from year to year based on the amount the physician collected from all services rendered the previous year. The bulk of the physicians' compensation was earned in the form of a productivity bonus, which paid the physicians eighty percent of the amount of their collections for that year. The physicians were also eligible for an incentive bonus of up to seven percent of their earned productivity bonus. In addition, Tuomey agreed to pay for the physicians' medical malpractice liability insurance as well as their practice group's share of employment taxes. The physicians were also allowed to participate in Tuomey's health insurance plan. Finally, Tuomey agreed to absorb each practice group's billing and collections costs.

The contracts had ten-year terms, during which physicians could maintain their private practices, but were required to perform outpatient surgical procedures exclusively at the hospital. Physicians could not own any interest in a facility located in Sumter that provided ambulatory surgery services, save for a less-than-two-percent interest in a publicly traded company that provided such services. The physicians also agreed not to perform outpatient surgical procedures within a thirty-mile radius of the hospital for two years after the expiration or termination of the contracts.

Tuomey ultimately entered into part-time employment contracts with nineteen physicians. Tuomey, however, was unable to reach an agreement with Dr. Michael Drakeford, an orthopedic surgeon. Drakeford believed that the proposed contracts violated the Stark Law because the physicians were being paid in excess of their collections. He contended that the compensation package did not reflect fair market value, and thus the government would view it as an unlawful payment for the doctor's facility-fee-generating referrals.

To address Drakeford's concerns, Tuomey suggested a joint venture as an alternative business arrangement, whereby "doctors would become investors ... in ... a management company that would *372 provide day-to-day management of the outpatient surgery center," J.A. 3268, and both Tuomey and its co-investors would "receive payments based on that management [structure]." J.A. 2036. Drakeford, however, declined that option.

Unable to break the stalemate in their negotiations, in May 2005, Tuomey and Drakeford sought the advice of Kevin McAnaney, an attorney in private practice with expertise in the Stark Law. McAnaney had formerly served as the Chief of the Industry Guidance Branch of the United States Department of Health and Human Services Office of Counsel to the Inspector General. In that position, McAnaney wrote a "substantial portion" of the regulations implementing the Stark Law. J.A. 2026.

McAnaney advised the parties that the proposed employment contracts raised significant "red flags" under the Stark Law.[2] J.A. 2054. In particular, Tuomey would have serious difficulty persuading the government that the contracts did not compensate the physicians in excess of fair market value. Such a contention, said McAnaney, would not pass the "red face test." J.A. 2055. McAnaney also warned Tuomey that the contracts presented "an easy case to prosecute" for the government. J.A. 2078.

Drakeford ultimately declined to enter into a contract with Tuomey. He later sued the hospital under the qui tam provisions of the FCA, alleging that because the part-time employment contracts violated the Stark Law, Tuomey had knowingly submitted false claims for payment to Medicare. As was its right, the government intervened in the action and filed additional claims seeking equitable relief for payments made under mistake of fact and unjust enrichment theories.

B.

At the first trial, Tuomey argued that McAnaney's testimony and related opinions regarding the contracts should be excluded as an offer to compromise or settle under Federal Rule of Evidence 408 because McAnaney was mediating a dispute between Tuomey and Drakeford. Alternatively, Tuomey contended that because McAnaney was hired jointly by Tuomey and Drakeford, he owed a duty of loyalty to both clients that precluded him from testifying. The district court sustained Tuomey's objection, although it did not articulate the ground for its ruling.

Tuomey also objected to the government's attempt to admit excerpts from the deposition testimony of Gregg Martin, Tuomey's Senior Vice President and Chief Operating Officer. Tuomey argued that the deposition testimony should be excluded because it contained Martin's recollections of a discussion he had with Tuomey's counsel concerning McAnaney's opinions regarding the employment contracts. According to Tuomey, the testimony was merely a "back doorway to get in Mr. McAnaney's opinions." J.A. 808. The government countered that the deposition testimony was admissible to show Tuomey's state of mind and intent to

violate the Stark Law. The district court again sustained Tuomey's objection.

The jury returned a verdict finding that, while Tuomey had violated the Stark Law, it had not violated the FCA. The government filed a post-verdict motion for judgment on its equitable claims. It also *373 moved for judgment as a matter of law under Federal Rule of Civil Procedure 50 on the FCA claim, or alternatively for a new trial under Rule 59 because of the district court's decision to exclude McAnaney's testimony and opinions, as well as the Martin deposition excerpts.

The district court denied the government's motion for judgment as a matter of law. But the court agreed that it had committed "a substantial error" by excluding the Martin deposition excerpts. J.A. 1296. It therefore granted the government's motion for a new trial. Notably, the district court's decision was based solely on its error in excluding the Martin deposition excerpts.

While the government asked for a new trial only on the knowledge element of the FCA claim, the district court granted a new trial as to the entirety of the claim. Notwithstanding the court's decision to grant a new trial on the FCA claim, the district court entered judgment for the government on its equitable claims based on the jury's finding of a Stark Law violation, and ordered Tuomey to pay damages in the amount of $44,888,651 plus pre- and post-judgment interest.

On appeal, we vacated the judgment, concluding that the jury's finding of a Stark Law violation was a common factual issue necessary to the resolution of both the equitable claims and the FCA claim.[3] Yet, because the district court rendered the jury's verdict finding a Stark Law violation a "legal nullity" when it granted the government's motion for a new trial, we held that the court deprived Tuomey of its Seventh Amendment right to a jury trial by entering judgment on the equitable claims. *Drakeford*, 675 F.3d at 405. We remanded the case for a new trial as to all claims.

While the case was on appeal, the presiding judge passed away. At the second trial, the new presiding judge allowed the government to introduce the previously excluded Martin deposition testimony, and also allowed McAnaney to testify. The jury found that Tuomey violated both the Stark Law and the FCA. It further found that Tuomey had submitted 21,730 false claims to Medicare with a total value of $39,313,065. The district court trebled the actual damages and assessed an additional civil penalty, both actions required by the FCA. 31 U.S.C. § 3729(a)(1). From the resulting judgment of $237,454,195, Tuomey appeals.

II.

A.

Tuomey's appeal presents these issues: First, did the district court err in granting the government's motion for a new trial on the FCA claim? If not, did the district court err in (1) denying Tuomey's motion for judgment as a matter of law (or, in the alternative, for yet another new trial) following the second trial; and (2) awarding damages and penalties against Tuomey based on the jury's finding of an FCA violation? We address each issue in turn, but first provide a general overview of the Stark Law.

B.

[2] The Stark Law is intended to prevent "overutilization of services by physicians who [stand] to profit from referring patients to facilities or entities in which they [have] a financial interest." *Drakeford*, 675 F.3d at 397. The statute prohibits a physician from making a referral to an entity, such as a hospital, with which he or she has a financial relationship, for the furnishing of designated health services. *374 42 U.S.C. § 1395nn(a)(1). If the physician makes such a referral, the hospital may not submit a bill for reimbursement to Medicare. *Id.* § 1395nn(a)(1)(B). Similarly, the government may not make any payment for a designated health service provided in violation of the Stark Law. *Id.* § 1395nn(g)(1). If a person collects any payment for a service billed in violation of the Stark Law, "the person shall be liable to the individual for, and shall refund on a timely basis to the individual, any amounts so collected." *Id.* § 1395nn(g)(2).[4]

Inpatient and outpatient hospital services are considered designated health services under the law. *Id.* § 1395nn(h)(6). A referral includes "the request by a physician for the item or service." *Id.* § 1395nn(h)(5)(A). A referral does not include "any designated health service personally performed or provided by the referring physician." 42 C.F.R. § 411.351. However, there is a referral when the hospital bills a "facility fee" (also known as a "facility component" or "technical

component") "in connection with the personally performed service." Medicare and Medicaid Programs; Physicians' Referrals to Health Care Entities With Which They Have Financial Relationships, 66 Fed.Reg. 856, 941 (Jan. 4, 2001); *see also* Medicare Program; Physicians' Referrals to Health Care Entities With Which They Have Financial Relationships (Phase II), 69 Fed.Reg. 16054, 16063 (Mar. 26, 2004).

A financial relationship constitutes a prohibited "indirect compensation arrangement," if (1) "there exists an unbroken chain of any number ... of persons or entities that have financial relationships ... between them," (2) "[t]he referring physician ... receives aggregate compensation ... that varies with, or takes into account, the volume or value of referrals or other business generated by the referring physician for the entity furnishing" the designated health services, and (3) the entity has knowledge that the compensation so varies. 42 C.F.R. § 411.354(c)(2); *see also Drakeford*, 675 F.3d at 408 ("[C]ompensation arrangements that take into account anticipated referrals ... implicate the volume or value standard."). The statute, however, does not bar indirect compensation arrangements where: (1) the referring physician is compensated at fair market value for "services and items actually provided"; (2) the compensation arrangement is "not determined in any manner that takes into account the volume or value of referrals"; (3) the compensation arrangement is "commercially reasonable"; and (4) the compensation arrangement does not run afoul of any other federal or state law. 42 C.F.R. § 411.357(p); *Drakeford*, 675 F.3d at 398.

[3] Once a relator or the government has established the elements of a Stark Law violation, it becomes the defendant's burden to show that the indirect compensation arrangement exception shields it from liability. *See United States ex rel. Kosenske v. Carlisle HMA, Inc.*, 554 F.3d 88, 95 (3d Cir.2009).

C.

We first address the district court's decision to grant the government a new trial on the FCA claim. The government pressed two grounds in support of its motion. First, it argued that the district court erred by excluding McAnaney's testimony, along with all evidence containing the views he expressed to the parties on the potential Stark Law liability surrounding the contracts. Second, the government argued that the district court erroneously excluded the Martin deposition *375 excerpts. While the district court granted a new trial on the latter ground, we instead affirm the district court on the basis of its more glaring error, the exclusion of McAnaney's testimony and related evidence.

1.

[4] [5] [6] [7] We review a district court's decision to grant a new trial for abuse of discretion. *Cline v. Wal–Mart Stores, Inc.*, 144 F.3d 294, 301 (4th Cir.1998). We apply the same standard to the district court's decision to exclude evidence. *Buckley v. Mukasey*, 538 F.3d 306, 317 (4th Cir.2008). "By definition, a district court abuses its discretion when it makes an error of law." *RZS Holdings AVV v. PDVSA Petroleo S.A.*, 506 F.3d 350, 356 (4th Cir.2007). Even so, we may reverse a district court only if its evidentiary error affects a party's substantial rights. *Buckley*, 538 F.3d at 317. And, of course, we may affirm a district court's ruling on any ground apparent in the record. *Republican Party of N.C. v. Martin*, 980 F.2d 943, 952 (4th Cir.1992).

2.

[8] We believe that the district court abused its discretion in granting a new trial on the ground that it had improperly excluded the Martin deposition excerpts. Even if the district court should not have excluded this evidence in the first instance, an evidentiary error is harmless when it does not affect a party's substantial rights—in this case, whether it can be said with a high probability that the error did not affect the judgment. *Taylor v. Va. Union Univ.*, 193 F.3d 219, 235 (4th Cir.1999) (en banc), *abrogated on other grounds by Desert Palace, Inc. v. Costa*, 539 U.S. 90, 123 S.Ct. 2148, 156 L.Ed.2d 84 (2003); *Daskalakis v. Firestone Tire & Rubber Co.*, 651 F.2d 937, 942 (4th Cir.1981) (noting that even if the district court believed that it had excluded admissible evidence, the erroneous exclusion could not be grounds for a new trial because it did not affect the substantial rights of the parties). The district court made no effort to assess the alleged error under this stringent harmless error standard. Furthermore, because the exclusion of the Martin deposition testimony was, in fact, a harmless error, the district court abused its discretion in granting a new trial on this ground.

In its motion for a new trial, the government argued that Martin's testimony was necessary evidence supporting the scienter element of its FCA claim. Specifically,

the government contended that Martin, Tuomey's agent, received and ignored McAnaney's warnings that the part-time employment contracts raised significant Stark Law compliance issues. Thus, says the government, the evidence would have demonstrated Tuomey's reckless disregard of the legal minefield that it was traversing. We think, however, that the probative value of this particular evidence is weak at best, and excluding it did not negatively affect the government's substantial rights.

The deposition excerpts predominantly focus on Martin's recollection of a discussion he had with Tuomey's lawyer, Tim Hewson. Hewson recounted to Martin the details of a conference call between Hewson, McAnaney, and Drakeford's lawyer, Greg Smith.[5] Specifically, Hewson told Martin that McAnaney had Stark Law compliance concerns with both the proposed *376 part-time employment contracts as well as the joint venture arrangement (which Martin referred to as the "under arrangement"). However, Martin was unable to remember specifics about the conversation, and often confused McAnaney's concerns with issues raised by Steve Pratt.

Martin did vaguely recall that Hewson had told him that McAnaney said the proposed arrangements would raise "red flags" with the government. J.A. 104–05. Yet, Martin could not remember whether McAnaney's warnings were particular to the part-time employment contracts, the joint venture arrangement, or both. Indeed, in Martin's recollection it was hard to "separate the two." J.A. 107. To the extent that Martin could distinguish the two proposed arrangements, he recalled being warned of greater problems with the joint venture arrangement.

With respect to McAnaney's concerns about the employment contracts, Martin had a vague recollection of some issues related to fair market value, but was unable to offer more detail. Ultimately, Martin acknowledged that there was a "difference of opinion" between McAnaney and Hewson, but decided to trust Hewson's opinion that the contracts posed no Stark Law concerns. J.A. 111.

That Martin's deposition testimony was hazy is not at all surprising, given that he was being asked to recall—nearly four years after the fact—the substance of a conversation with Tuomey's lawyer, who himself was recalling an earlier conference call with McAnaney. Standing alone, we fail to see how the government was substantially prejudiced by the district court's decision to exclude this evidence. Thus, we hold that the district court abused its discretion in relying on this ground to grant the government's motion for a new trial.

3.

[9] Nonetheless, we affirm the district court's order granting a new trial on the alternative ground urged by the government—that it was prejudiced by the exclusion of McAnaney's testimony and other related evidence of his warnings to Tuomey regarding the legal peril that the employment contracts posed.[6] To make its case that Tuomey "knowingly" submitted false claims under the FCA, the government needed to show that Tuomey knew that there was a substantial risk that the contracts violated the Stark Law, and was nonetheless deliberately ignorant of, or recklessly disregarded that risk. In our view, McAnaney's testimony was a relevant, and indeed essential, component of the government's evidence on that element, and Tuomey offered no good reason why the jury should not hear it.

The district court has now presided over two trials in this case, with strikingly disparate results. In the first trial, the jury did not hear from McAnaney and found for Tuomey on the FCA claim. When the case was retried, McAnaney was allowed to testify and the jury found for the government. Coincidence? We think not. Rather, we believe that these results bespeak the importance of what the jury in the first trial was not allowed to consider.

And this is so even while acknowledging that McAnaney was a looming presence *377 throughout the first trial. For example, the jury heard audio of a Tuomey board meeting, where a board member mentioned that McAnaney had voiced concerns with the part-time employment contracts. Left unsaid, however, was the precise nature of those concerns or the weight and seriousness that McAnaney attached to them. The jury also knew that Hewson (Tuomey's counsel at Nexson Pruet) was generally aware of McAnaney's views on the employment contracts, but that he dismissed them as not credible because, in his view, Drakeford was deliberately seeking to cherry pick a legal opinion that would undermine the entire deal.

The jury was also aware that Drakeford[7] wrote to Tuomey's board summarizing McAnaney's opinions. The district court, however, excluded Drakeford's letter, although it did allow the jury to consider the board's response wherein it summarily rejected Drakeford's unspecified objections. Finally, the

jury heard that Tuomey refused to allow McAnaney to prepare a written opinion discussing his concerns regarding the contracts, and subsequently terminated McAnaney's engagement altogether on September 2, 2005.

While certainly not insubstantial, the sum of the evidence at the first trial regarding McAnaney was that Tuomey (1) was aware that McAnaney had unspecified concerns about the employment contracts; (2) refused to allow McAnaney to relay his concerns in writing; and (3) later terminated McAnaney's joint representation. Yet, under the FCA, the government had to prove that Tuomey knew of, was deliberately ignorant of, or recklessly disregarded the falsity of its claims (i.e. that its claims violated the Stark Law). We think that McAnaney's specific warnings to Tuomey regarding the dangers posed by the contracts were critical to making this showing.

McAnaney warned Tuomey that procuring fair market valuations, by itself, was not conclusive of the accuracy of the valuation. He emphasized that it would be very hard to convince the government that a contract that paid physicians "substantially above even their collections, much less their collections minus expenses," would constitute fair market value. J.A. 2053. According to McAnaney, compensation arrangements under which the contracting physicians are paid in excess of their collections were "basically a red flag to the government." *Id.* He noted that similar cases had previously been prosecuted before, although all of them ultimately settled.

McAnaney also pointed out that the ten-year term of the contracts, combined with the thirty-mile, two-year noncompete provision would reinforce the government's view that Tuomey was "paying [the physicians] above fair market value for referrals." J.A. 2055. He concluded that the contracts did not pass the "red face test," and warned that the government would find this "an easy case to prosecute." J.A. 2055, 2078.

We think the importance of McAnaney's testimony to the government's case is self-evident. Indeed, it is difficult to imagine any more probative and compelling evidence regarding Tuomey's intent than the testimony of a lawyer hired by Tuomey, who was an undisputed subject matter expert on the intricacies of the Stark Law, and who warned Tuomey in graphic detail of the thin legal ice on which it was treading with respect to the employment contracts. [8]

*378 4.

[10] [11] Tuomey urges, however, that McAnaney's testimony and other evidence containing his views were properly excluded under Federal Rule of Evidence 408. That rule, however, mandates the exclusion of evidence relating to offers to compromise or settle disputed claims if the evidence is being offered to prove liability on the claim. *Bituminous Constr., Inc. v. Rucker Enters., Inc.*, 816 F.2d 965, 968 (4th Cir.1987). We are not persuaded that McAnaney was retained to help Drakeford and Tuomey compromise or settle a disputed claim. Rather, the record unambiguously shows that Drakeford and Tuomey hired McAnaney to advise them of the Stark Law risks posed by the employment contracts. As a result, Rule 408 does not support the district court's decision to exclude McAnaney's testimony. [9] *See ICAP, Inc. v. Global Digital Satellite Sys., Inc.*, 225 F.3d 654, 2000 WL 1049854, at *3 (4th Cir.2000) (unpublished table opinion) (finding Rule 408 inapplicable where the parties' communications involved contract negotiations rather than settlement negotiations).

Nor do we find merit in Tuomey's objection based on McAnaney's supposed duty of loyalty to his clients. At trial, Tuomey never suggested which evidentiary rule supported exclusion on this ground, although it now characterizes this argument as a claim for exclusion under Rule 403. That rule of course allows a district court to exclude relevant evidence, but only "if its probative value is substantially outweighed by a danger of one or more of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence." Fed.R.Evid. 403. Left unsaid by Tuomey is precisely how the probative value of McAnaney's compelling testimony was substantially outweighed by the countervailing factors set out in Rule 403.

In sum, Tuomey has offered no good reason why the jury in the first trial was not allowed to hear from McAnaney. And we agree with the government that this evidence was critical to its ability to satisfy its burden to prove that Tuomey acted with the requisite intent under the FCA. We therefore affirm the district court's order granting a new trial on the FCA claim.

III.

We turn now to Tuomey's challenges to the judgment entered following the second trial. Tuomey asks for judgment as

a matter of law because a reasonable jury could not have found that (1) the part-time employment contracts violated the Stark Law, or (2) Tuomey knowingly submitted false claims. Alternatively, Tuomey asks for a new trial because of the district court's refusal to tender certain jury instructions.

A.

[12] [13] We review the district court's denial of Tuomey's motion for judgment as a matter of law de novo. *Austin v. Paramount Parks, Inc.*, 195 F.3d 715, 727 (4th Cir.1999). We "view all the evidence in the light most favorable to the prevailing party and draw all reasonable inferences in [its] favor." *Konkel v. Bob Evans* *379 *Farms Inc.*, 165 F.3d 275, 279 (4th Cir.1999). We will reverse the district court if a reasonable jury could rule only in favor of the moving party. *Dennis v. Columbia Colleton Med. Ctr., Inc.*, 290 F.3d 639, 645 (4th Cir.2002) ("[I]f reasonable minds could differ, we must affirm.").

1.

[14] Tuomey argues that it is entitled to judgment as a matter of law because the contracts between it and the physicians did not run afoul of the Stark Law. As we explain, however, a reasonable jury could find that Tuomey violated the Stark Law when it paid aggregate compensation to physicians that varied with or took into account the volume or value of actual or anticipated referrals to Tuomey.

To begin with, we note that the Stark Law's "volume or value" standard can be implicated when aggregate compensation varies with the volume or value of referrals, *or* otherwise takes into account the volume or value of referrals. 42 C.F.R. § 411.354(c)(2)(ii). That is precisely what the district court directed the jury in the second trial to assess. Tuomey insists, however, that our earlier opinion in this case foreclosed the jury's consideration of whether the contracts varied with the volume or value of referrals. Instead, says Tuomey, the *only* question that should have been put to the jury was "whether the contracts, on their face, took into account the value or volume of anticipated referrals." *Drakeford*, 675 F.3d at 409.

We disagree. The district court properly understood that the jury was entitled to pass on the contracts as they were actually implemented by the parties. We said as much in our earlier opinion, where

> we emphasize[d] that our holding ... [was] limited to the issues we specifically address[ed]. On remand, a jury must determine, in light of our holding, whether the aggregate compensation received by the physicians under the contracts *varied with*, or took into account, the volume or value of the facility component referrals.

Id. at 409 n. 26 (emphasis added).

A reasonable jury could have found that Tuomey's contracts in fact compensated the physicians in a manner that varied with the volume or value of referrals. There are two different components of the physicians' compensation that we believe so varied. First, each year, the physicians were paid a base salary that was adjusted upward or downward depending on their collections from the prior year. In addition, the physicians received the bulk of their compensation in the form of a productivity bonus, pegged at eighty percent of the amount of their collections.

As Tuomey concedes, "the aggregate compensation received by the physicians under the Contracts was based solely on collections for personally performed professional services." Appellant's Br. at 42. And as we noted in our earlier opinion, there are referrals here, "consisting of the facility component of the physicians' personally performed services, and the resulting facility fee billed by Tuomey based upon that component." *Drakeford*, 675 F.3d at 407. In sum, the more procedures the physicians performed at the hospital, the more facility fees Tuomey collected, and the more compensation the physicians received in the form of increased base salaries and productivity bonuses.

The nature of this arrangement was confirmed by Tuomey's former Chief Financial Officer, William Paul Johnson, who admitted "that every time one of the 19 physicians ... did a legitimate procedure on a Medicare patient at the hospital pursuant to the part-time agreement[,] the doctor [got] more money," and "the hospital also got more money." J.A. 2012. We thus think it plain that a reasonable jury *380 could find that the physicians' compensation varied with the volume or value of actual referrals. The district court did not err in denying Tuomey's motion for judgment as a matter of law on this ground. [10]

2.

Tuomey next argues that the district court erred in not granting its motion for judgment as a matter of law because it did not knowingly violate the FCA. Specifically, Tuomey claims that because it reasonably relied on the advice of counsel, no reasonable jury could find that Tuomey possessed the requisite intent to violate the FCA. Because the record here is replete with evidence indicating that Tuomey shopped for legal opinions approving of the employment contracts, while ignoring negative assessments, we disagree.

[15] [16] The FCA imposes civil liability on any person who "knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval" to an officer or employee of the United States Government. 31 U.S.C. § 3729(a)(1)(A), (b)(2)(A)(i). Under the Act, the term "knowingly" means that a person, with respect to information contained in a claim, (1) "has actual knowledge of the information;" (2) "acts in deliberate ignorance of the truth or falsity of the information;" or (3) "acts in reckless disregard of the truth or falsity of the information." *Id.* § 3729(b)(1). The purpose of the FCA's scienter requirement is to avoid punishing "honest mistakes or incorrect claims submitted through mere negligence." *United States ex rel. Owens v. First Kuwaiti Gen. Trading & Contracting Co.*, 612 F.3d 724, 728 (4th Cir.2010) (internal quotation marks omitted).

[17] The record evidence provides ample support for the jury's verdict as to Tuomey's intent. Indeed, McAnaney's testimony, summarized above, is alone sufficient to sweep aside Tuomey's claim of error.[11] We agree with the district court's conclusion that "a reasonable jury could have found that Tuomey possessed the requisite scienter once it determined to disregard McAnaney's remarks." J.A. 4055–56. A reasonable jury could indeed be troubled by Tuomey's seeming inaction in the face of McAnaney's warnings, particularly given Tuomey's aggressive efforts *381 to avoid hearing precisely what McAnaney had to say regarding the contracts.

[18] [19] [20] Nonetheless, a defendant may avoid liability under the FCA if it can show that it acted in good faith on the advice of counsel. *Cf. United States v. Painter*, 314 F.2d 939, 943 (4th Cir.1963) (holding, in a case involving fraud, that "[i]f in good faith reliance upon legal advice given him by a lawyer to whom he has made full disclosure of the facts, one engages in a course of conduct later found to be illegal, the trier of fact may in appropriate circumstances conclude the conduct was innocent because 'the guilty mind' was absent"). However, "consultation with a lawyer confers no automatic immunity from the legal consequences of conscious fraud." *Id.* at 943. Rather, to establish the advice-of-counsel defense, the defendant must show the "(a) full disclosure of all pertinent facts to [counsel], and (b) good faith reliance on [counsel's] advice." *United States v. Butler*, 211 F.3d 826, 833 (4th Cir.2000) (internal quotation marks omitted).

Tuomey contends that it provided full and accurate information regarding the proposed employment contracts to Hewson, who in turn advised Tuomey that the contracts did not run afoul of the Stark Law. But as the government aptly notes, "[i]n determining whether Tuomey reasonably relied on the advice of its counsel, the jury was entitled to consider *all* the advice given to it by *any* source." Appellee's Br. at 53.

In denying Tuomey's post-trial motions, the district court noted—and we agree—that a reasonable jury could have concluded that Tuomey was, after September 2005, no longer acting in good faith reliance on the advice of its counsel when it refused to give full consideration to McAnaney's negative assessment of the part-time employment contracts and terminated his representation.[12] Tuomey defends its dismissal of McAnaney's warnings by claiming that his opinion was tainted by undue influence exerted by Drakeford and his counsel. But there was evidence before the jury suggesting that Tuomey also tried to procure a favorable opinion from McAnaney. Indeed, Tuomey's counsel admitted that he was trying "to steer McAnaney towards [Tuomey's] desired outcome" and that Tuomey needed to "continue playing along and influence the outcome of the game as best we can." J.A. 4482. Thus, a reasonable jury could conclude that Tuomey ignored McAnaney because it simply did not like what he had to say.

Tuomey points to the fact that it retained Steve Pratt, a prominent healthcare lawyer, and Richard Kusserow, former Inspector General at the United States Department of Health and Human Services, as further evidence that it acted in good faith and did not ignore McAnaney's warnings. Pratt rendered two opinions that generally approved of the employment contracts. But he did so without being told of McAnaney's unfavorable assessment, even though Tuomey had that information available to it at the time. In addition, Pratt reviewed and relied on the *382 view of Tuomey's fair-market-value consultant that the employment contracts would

compensate the physicians at fair market value, but he did not consider how the consultant arrived at its opinion. Nor did he know how much the doctors earned prior to entering into the contracts, or that the hospital stood to lose $1.5–2 million a year, not taking into account facility fees, by compensating the physicians above their collections. We thus think it entirely reasonable for a jury to look skeptically on Pratt's favorable advice regarding the contracts.

The same can be said of the Kusserow's advice. Kusserow —who was called by the government to rebut Tuomey's advice-of-counsel defense—advised Tuomey regarding the employment contracts about eighteen months before the parties retained McAnaney. As was the case with Pratt, he received no information regarding the fair market value of the employment contracts, information that Kusserow considered vital "to be able to do a full Stark analysis of [the proposed contracts]." J.A. 1676. And although Kusserow did say in a letter to Tuomey's counsel that he did not believe the contracts presented "significant Stark issues," J.A. 1675, he hedged considerably on that view because of "potentially troubling issues related to the productivity and [incentive bonus provisions in the contracts] that have not been fully addressed." J.A. 1677.

As the district court observed, "the jury evidently rejected Tuomey's advice of counsel defense" as of the date that Tuomey received McAnaney's warnings, "grounded on the fact that the jury excluded damages from [before the termination of McAnaney's engagement] in making its determination" of the civil penalty and damages. J.A. 4055. Thus, while Kusserow's advice was certainly relevant to Tuomey's advice-of-counsel defense, a reasonable jury could have determined that McAnaney's warnings (and Tuomey's subsequent inaction) were far more probative on the issue.

In sum, viewing the evidence in the light most favorable to the government, we have no cause to upset the jury's reasoned verdict that Tuomey violated the FCA.

B.

[21] [22] Next, Tuomey raises several challenges to the district court's jury instructions. We review a district court's "decision to give (or not give) a jury instruction and the content of an instruction ... for abuse of discretion." *United States v. Russell*, 971 F.2d 1098, 1107 (4th Cir.1992). Our task is to determine "whether the instructions[,] construed as a whole, and in light of the whole record, adequately informed the jury of the controlling legal principles without misleading or confusing the jury to the prejudice of the objecting party." *Spell v. McDaniel*, 824 F.2d 1380, 1395 (4th Cir.1987). We will reverse the district court's decision not to give a party's proposed instruction "only when the requested instruction (1) was correct; (2) was not substantially covered by the court's charge to the jury; and (3) dealt with some point in the trial so important, that failure to give the requested instruction seriously impaired that party's ability to make its case." *Noel v. Artson*, 641 F.3d 580, 586 (4th Cir.2011) (internal quotation marks omitted). [13]

1.

[23] First, Tuomey urges us to grant it a new trial because the district court failed to give jury instructions consistent with our analysis in the first appeal. Specifically, *383 Tuomey claims that the district court ignored our admonition that "the question, which should properly be put to a jury, is whether the contracts, on their face, took into account the value or volume of anticipated referrals." *Drakeford*, 675 F.3d at 409. According to Tuomey, the district court's failure to so instruct the jury erroneously permitted the jury to consider extrinsic evidence of intent in determining whether the physicians' compensation took into account the volume or value of referrals.

As the district court correctly determined, however, we did not mean to limit the government's ability to present evidence as to Tuomey's intent to violate the FCA. Rather, we sought to emphasize that the government could not rely on such evidence alone to show a violation. *See id.* at 409 n. 25 ("We agree with [*United States ex rel. Villafane v. Solinger*, 543 F.Supp.2d 678, 693 (W.D.Ky.2008)] that intent alone does not create a violation. However, that does not aid Tuomey if the jury determines that the contracts took into account the volume or value of anticipated referrals."). Thus, the district court did not err in declining to give this instruction.

2.

Tuomey next argues that the district court erred in not separately instructing the jury on the knowledge element in the Stark Law regulations' definition of an indirect compensation arrangement. As Tuomey correctly notes, the Stark Law requires that "[t]he entity furnishing [designated

health services must] ha[ve] actual knowledge of, or act[ ] in reckless disregard or deliberate ignorance of, the fact that the referring physician ... receives aggregate compensation that varies with, or takes into account, the volume or value of referrals." 42 C.F.R. § 411.354(c)(2)(iii).

[24] Here, however, the district court instructed the jury that Tuomey would have acted knowingly under the FCA if it "realized what it was doing and was aware of the nature of its conduct and did not act through ignorance, mistake or accident." J.A. 3942–43. Given that a jury found Tuomey possessed the requisite scienter under the FCA, it necessarily also found Tuomey knew that its contracts varied with or took into account referrals. Therefore, the district court's error (if any) in not separately instructing the jury as to the knowledge component of the Stark Law was harmless.

3.

Third, Tuomey argues that the district court erred by refusing to charge the jury that claims based upon differences of interpretation of disputed legal questions are not false under the FCA. For this proposition, it cites to our decision in *United States ex rel. Wilson v. Kellogg Brown & Root, Inc.*, 525 F.3d 370, 377 (4th Cir.2008), in which we said as much. However, we also held there that for a claim to be "false" under the FCA, "the statement or conduct alleged must represent an objective falsehood." *Id.* at 376.

[25] When submitting its claims to the government, Tuomey was required to certify its compliance with the Stark Law. See *United States ex rel. Thompson v. Columbia/HCA Healthcare Corp.*, 125 F.3d 899, 902 (5th Cir.1997) ("[W]here the government has conditioned payment of a claim upon a claimant's certification of compliance with ... a statute or regulation, a claimant submits a false or fraudulent claim when he or she falsely certifies compliance with that statute or regulation."); *United States ex rel. Pogue v. Diabetes Treatment Ctrs. of Am.*, 565 F.Supp.2d 153, 158–59 (D.D.C.2008). Here, Tuomey either complied with the Stark Law or it *384 didn't. This is an objective inquiry. And the jury found that Tuomey, in fact, violated the Stark Law. As a result, Tuomey's certification that it complied with the Stark Law was false. The subjective inquiry-whether Tuomey knew that its claims were in violation of the Stark Laws covered under the knowledge element. [14] Therefore, the district court did not err in refusing to give this instruction.

4.

For their last jury instruction challenge, Tuomey contends that the district court erred by failing to instruct the jury that Tuomey was entitled to rely on legal advice even if it turned out to be wrong. However, the district court instructed the jury that knowledge does not include actions taken "through ignorance, mistake or accident." J.A. 3943. It later emphasized that the jury could not conclude that Tuomey had knowledge "from proof of mistake, negligence, carelessness or a *belief in an inaccurate proposition*." *Id.* (emphasis added). Because the import of Tuomey's proposed charge was covered by the district court's instructions, we reject Tuomey's claim of error.

IV.

Finally, Tuomey makes several challenges to the $237,454,195 judgment entered against it. First, it argues that the district court improperly calculated the civil penalty. Next, it claims that the district court used the incorrect measure of actual damages. Finally, it brings constitutional challenges to the award under the Fifth and Eighth Amendments.

A defendant found liable under the FCA must pay the government "a civil penalty of" not less than $5,500 and not more than $11,000 "plus 3 times the amount of damages which the Government sustains because of that person." 31 U.S.C. § 3729(a)(1); 28 C.F.R. § 85.3(a)(9). [15] In this case, the jury found that Tuomey had submitted 21,730 false claims, for which it awarded actual damages of $39,313,065, which the district court trebled. The district court then added a civil penalty of $119,515,000 to that sum, which it calculated by multiplying the number of false claims by the $5,500 statutory minimum penalty.

[26] [27] Ordinary, we review a court's calculation of damages for clear error. *Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417, 427 (4th Cir.2010). However, to the extent the claim is that the calculations are influenced by legal error, our review is de novo. *Id.* Likewise, the constitutionality of a damages award is a legal question that we review de novo. *See Cooper Indus., Inc. v. Leatherman Tool Grp., Inc.*, 532 U.S. 424, 436, 121 S.Ct. 1678, 149 L.Ed.2d 674 (2001).

A.

1.

[28] According to Tuomey, the civil penalty assessed was improperly inflated because the jury was permitted to take into account both inpatient and outpatient procedures performed by the contracting physicians. Instead, relying on our earlier *385 opinion in this case, Tuomey claims that the only relevant claims "were those Tuomey 'presented, or caused to be presented, to Medicare and Medicaid for payment of facility fees generated *as a result of outpatient procedures performed pursuant to the contracts.*' ". Appellant's Br. at 54 (alterations omitted) (quoting *Drakeford*, 675 F.3d at 399). Tuomey is incorrect.

It is true that the contracts solely addressed compensation for outpatient procedures. That is, the physicians' collections (which form the basis for both their base salaries and their productivity bonuses) do not account for the volume or value of inpatient procedures performed. Tuomey, however, takes out of context language from our earlier opinion recognizing this fact to suggest that we commanded that the relevant claims be limited to those seeking payment for outpatient procedures. We said nothing of the sort.

If a physician has a financial relationship with a hospital, then the Stark Law prohibits the physician from making *any* referral to that hospital for the furnishing of designated health services. *E.g.*, *United States ex rel. Bartlett v. Ashcroft*, 39 F.Supp.3d 656, 669 (W.D.Pa.2014) ("Because a 'compensation arrangement' existed between Physician Defendants and [the] Hospital, the Stark [Law] prohibited Physician Defendants from making *any* patient referrals to [the] Hospital for designated health services." (emphasis added)). Inpatient hospital services are designated health services. 42 U.S.C. § 1395nn(h)(6). And a referral includes "the request or establishment of a plan of care by a physician which includes the provision of the designated health service," *Id.* § 1395nn(h)(5). Plainly, then, inpatient services constitute a prohibited referral for the furnishing of designated health services, and the district court properly instructed the jury to factor them into the damages calculation.

2.

Tuomey also asserts that the jury's damage award is flawed because the government failed to present sufficient evidence of referrals. Specifically, Tuomey contends that the government did not identify the "referring physician," and thus failed to prove that the alleged false claims came about through a prohibited referral.

[29] The government's proof on this point came in the form of summary evidence and testimony detailing the claims submitted by Tuomey. We agree with the district court that the government's evidence was sufficient to support the jury's verdict. We note also, as did the district court, that "Tuomey was entitled to offer its own expert and its own alternate damages calculations, but elected not to do so." J.A. 4061.

In any case, Tuomey offers no authority to support its argument that the claims must explicitly identify the referring provider. Conversely, several courts have accepted that the " 'attending/operating' physician identified in Form UB–92 qualifies as a referring physician." [16] *United States v. Rogan*, 459 F.Supp.2d 692, 713 (N.D.Ill.2006); *see also United States v. Halifax Hosp. Med. Ctr.*, No. 6:09–cv–1002–Orl–31TBS, 2013 WL 6017329, at *10–11 (M.D.Fla. Nov. 13, 2013) (finding that the fact that one of the physicians with whom the hospital has a financial relationship is identified as an "operating" or "attending" physician is sufficient evidence that the physician was also the "referring physician" absent evidence to the contrary). *386 Given the lack of support for Tuomey's position, we conclude that the jury had sufficient evidence to identify the prohibited referrals.

3.

Tuomey next argues that the district court erroneously assessed the penalty based on the 21,730 UB–92/04 forms Tuomey submitted to Medicare for reimbursement. Instead, Tuomey asserts that the number of false claims should be limited to four Medicare cost reports that it submitted. [17]

Tuomey provides no Stark Law case to support its argument. Rather, it cites to FCA cases where the UB–92/04 forms themselves were not fraudulent, but were submitted as part of an ongoing fraudulent scheme. In those cases, the fraud was consummated only when the cost report was submitted. *See*

United States ex rel. Hockett v. Columbia/HCA Healthcare Corp., 498 F.Supp.2d 25, 70–71 (D.D.C.2007); *Visiting Nurse Ass'n of Brooklyn v. Thompson*, 378 F.Supp.2d 75, 99 (E.D.N.Y.2004).

But even those cases suggest that a UB–92/04 form can constitute a discrete fraudulent claim under the FCA when the government proves that the forms were, in fact, false or fraudulent. *See Hockett*, 498 F.Supp.2d at 70–71; *Visiting Nurse Ass'n*, 378 F.Supp.2d at 99. This occurs when "the provider knowingly asks the Government to pay amounts it does not owe." *United States ex rel. Clausen v. Lab. Corp. of Am., Inc.*, 290 F.3d 1301, 1311 (11th Cir.2002).

[30] Here, each time Tuomey submitted to Medicare a UB–92/04 form asking for reimbursement for a prohibited referral, it was knowingly asking the government to pay an amount that, by law, it could not pay. Consequently, we find the district court did not err in finding that each UB–92/04 form constituted a separate claim.

B.

Tuomey also challenges the district court's measure of actual damages. It argues that the true measure is not the sum total of all claims the government paid (as the court instructed the jury), but rather the difference (if any) between the true value of the services provided by Tuomey and what the government actually paid. According to Tuomey, since "there was no evidence that the Government did not get what it paid for[,] ... there were no actual damages under the FCA." Appellant's Br. at 87. Here again, Tuomey's view of the law is incorrect.

[31] The Stark Law prohibits the government from paying *any* amount of money for claims submitted in violation of the law. 42 U.S.C. § 1395nn(g)(1). Compliance with the Stark Law is a condition precedent to reimbursement of claims submitted to Medicare. When Tuomey failed to satisfy that condition, the government owed it nothing. *United States v. Rogan*, 517 F.3d 449, 453 (7th Cir.2008).

The Stark Law expresses Congress's judgment that all services provided in violation of that law are medically unnecessary. By reimbursing Tuomey for services that it was legally prohibited from paying, the government has suffered injury equivalent to the full amount of the *387 payments. *Cf. United States v. Mackby (Mackby II)*, 339 F.3d 1013, 1018–19 (9th Cir.2003) (finding that the fact that the defendant actually rendered the service billed did not negate the government's injury, as "[d]amages under the FCA flow from the false statement"). In this case, the damage from the false statement came from the payment to an entity that was not entitled to any payment at all. Accordingly, we reject Tuomey's claim of error.[18]

C.

Finally, Tuomey argues that the district court's award of $237,454,195, consisting of damages and a civil penalty, is unconstitutional under the Excessive Fines Clause of the Eighth Amendment and the Due Process Clause of the Fifth Amendment. While the award is substantial, we cannot say that it is unconstitutional.

[32] [33] [34] "The Excessive Fines Clause of the Eighth Amendment prohibits the government from imposing excessive fines as punishment." *Korangy v. FDA*, 498 F.3d 272, 277 (4th Cir.2007). "Civil fines serving remedial purposes do not fall within the reach of the Eighth Amendment." *Id.* But where "a civil sanction 'can only be explained as serving in part to punish,' then the fine is subject to the Eighth Amendment." *Id.* (quoting *Austin v. United States*, 509 U.S. 602, 610, 113 S.Ct. 2801, 125 L.Ed.2d 488 (1993)). In such a case, the fine "will be found constitutionally excessive only if it is 'grossly disproportional to the gravity of [the] offense.'" *Id.* (alteration in original) (quoting *United States v. Bajakajian*, 524 U.S. 321, 334, 118 S.Ct. 2028, 141 L.Ed.2d 314 (1998)). We have said, however, that instances in which the penalty prescribed under the FCA is unconstitutionally excessive will be "infrequent." *United States ex rel. Bunk v. Gosselin World Wide Moving, N.V.*, 741 F.3d 390, 408 (4th Cir.2013).

[35] [36] [37] By contrast, the Due Process Clause "imposes substantive limits beyond which penalties may not go." *TXO Prod. Corp. v. Alliance Res. Corp.*, 509 U.S. 443, 453–54, 113 S.Ct. 2711, 125 L.Ed.2d 366 (1993) (internal quotation marks omitted) (Fourteenth Amendment case); *Morgan v. Woessner*, 997 F.2d 1244, 1255 (9th Cir.1993) (finding that the Supreme Court's analysis under the Due Process Clause of the Fourteenth Amendment applies equally under the Fifth Amendment), *cited with approval in EEOC v. Fed. Express Corp.*, 513 F.3d 360, 376 (4th Cir.2008). Like the Eighth Amendment, the Due Process Clause does not apply to compensatory damage awards. This is because compensatory damages "redress the concrete loss the plaintiff

has suffered by reason of the defendant's wrongful conduct," and the assessment of the plaintiff's injury is "essentially a factual determination." *Cooper Indus.*, 532 U.S. at 432, 121 S.Ct. 1678. On the other hand, punitive damages are "essentially 'private fines' intended to punish the defendant and to deter future wrongdoing." *Id.* Consequently, there must be "procedural and substantive constitutional limitations on these awards." *See State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 416, 123 S.Ct. 1513, 155 L.Ed.2d 585 (2003). Thus, the Due Process Clause imposes limits on "grossly excessive" monetary penalties that go beyond what is necessary to vindicate the government's "legitimate interests in punishment and deterrence." *BMW of N. Am., Inc. v. Gore*, 517 U.S. 559, 562, 116 S.Ct. 1589, 134 L.Ed.2d 809 (1996).

[38] The "FCA imposes damages that are essentially punitive in nature." *Vt.* *388 *Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S. 765, 784, 120 S.Ct. 1858, 146 L.Ed.2d 836 (2000). But the Supreme Court has also noted that the treble damages provision of the statute has a compensatory aspect, in that they account for the fact that some amount of money beyond actual damages is "necessary to compensate the Government completely for the costs, delays, and inconveniences occasioned by fraudulent claims." *Cook Cnty., Ill. v. United States ex rel. Chandler*, 538 U.S. 119, 130, 123 S.Ct. 1239, 155 L.Ed.2d 247 (2003). Additionally, the provision allows the government to recover some measure of the amount it must pay to compensate relators in qui tam actions. *Id.*; *see also* 31 U.S.C. § 3730(d) ("If the Government proceeds with an action brought by [a relator, the relator] shall ... receive at least 15 percent but not more than 25 percent of the proceeds of the action or settlement of the claim...."). On the other hand, the civil penalty is completely punitive. *United States v. Mackby (Mackby I)*, 261 F.3d 821, 830 (9th Cir.2001).

[39] The Supreme Court has instructed courts to consider three guideposts when reviewing punitive damages awards under the Due Process Clause: "(1) the degree of reprehensibility of the defendant's misconduct; (2) the disparity between the actual or potential harm suffered by the plaintiff and the punitive damages award; and (3) the difference between the punitive damages awarded by the jury and the civil penalties authorized or imposed in comparable cases."[19] *State Farm*, 538 U.S. at 418, 123 S.Ct. 1513. There is no reason to believe that the Court's "approach to punitive damages under the Fifth Amendment would differ dramatically from analysis under the Excessive Fines Clause." *Rogan*, 517 F.3d at 454.

[40] The degree of reprehensibility of the defendant's conduct is "[p]erhaps the most important indicium of the reasonableness of a punitive damages award." *Gore*, 517 U.S. at 575, 116 S.Ct. 1589. Of course, in this case the damages and penalties assessed against Tuomey are congressionally prescribed. 31 U.S.C. § 3729(a)(1). As we have previously stated, the Stark Law expresses Congress's judgment of the reprehensibility of the conduct at issue by deeming services provided in violation of the law worthless. And "[t]he fact ... that Congress provided for treble damages and an automatic civil monetary penalty per false claim shows that Congress believed that making a false claim to the government is a serious offense." *Mackby II*, 339 F.3d at 1018; *cf. Rogan*, 517 F.3d at 454 ("[O]ne would think that a fine expressly authorized by statute could be higher than a penalty selected *ad hoc* by a jury.").

In addition, the Supreme Court has directed courts to evaluate the degree of reprehensibility of the defendant's conduct by considering whether:

> the harm caused was physical as opposed to economic; the tortious conduct evinced an indifference or a reckless disregard of the health or safety of others; the target of the conduct had financial vulnerability; the conduct involved repeated actions or was an isolated incident; and the harm was the result of intentional malice, trickery, or deceit, or mere accident.

State Farm, 538 U.S. at 419, 123 S.Ct. 1513. While Tuomey's conduct in this case *389 does not implicate the first three factors, we think the last two are relevant here. *See Saunders v. Branch Banking & Trust Co. of Va.*, 526 F.3d 142, 153 (4th Cir.2008) (finding that even the presence of a single *State Farm* factor "can provide justification for a substantial award of punitive damages").

[41] Clearly, Tuomey's conduct "involved repeated actions," *State Farm*, 538 U.S. at 419, 123 S.Ct. 1513, as it submitted 21,730 false claims. Thus, while the penalty is certainly severe, it is meant to reflect the sheer breadth of the fraud Tuomey perpetrated upon the federal government. *Bunk*, 741 F.3d at 407–08 (explaining that the court was

comfortable assessing high civil penalties in FCA actions involving a large number of claims). As we have said, "[w]hen an enormous public undertaking spawns a fraud of comparable breadth [high penalties] help[ ] to ensure what we reiterate is the primary purpose of the FCA: making the government completely whole." *Id.* Substantial penalties also serve as a powerful mechanism to dissuade such a massive course of fraudulent conduct. *See id.* at 408. And the government has "a strong interest in preventing fraud" because "[f]raudulent claims make the administration of Medicare more difficult, and widespread fraud would undermine public confidence in the system." *Mackby II*, 339 F.3d at 1019.

Nor were Tuomey's actions in this case the result of a "mere accident." *State Farm*, 538 U.S. at 419, 123 S.Ct. 1513. Rather, the jury determined that Tuomey submitted false claims for Medicare reimbursement "knowingly," that is, with actual knowledge, in deliberate ignorance, or with reckless disregard that the claims violated the Stark Law. Under the circumstances, we agree with the government that "strong medicine is required to cure the defendant's disrespect for the law." *Gore*, 517 U.S. at 577, 116 S.Ct. 1589.

Next, we consider the disparity between actual harm and the punitive damages award. Specifically, we compare the actual damages assessed against Tuomey to the civil penalty and the portion of treble damages that can be considered punitive. Here, we can properly regard the entire civil penalty, $119,515,000, as punitive. On the other hand, the actual damages of $39,313,065 are entirely compensatory. As discussed above, the additional sum of $78,626,130 resulting from the trebling of actual damages is a hybrid of compensatory and punitive damages.

Although the Supreme Court has not told us where to draw the line, *see Chandler*, 538 U.S. at 131, 123 S.Ct. 1239, we may safely assume that the portion of the trebled award allocated to the relator is compensatory. *See id.* Assuming further that Drakeford receives the minimum amount allotted by the statute—that is fifteen percent of the total recovery—the relator would be entitled to $11,793,920 of the trebled award, leaving $66,832,210 to be allocated to punitive damages. By this calculation, the portion of damages that is compensatory is $51,106,985 and the $186,347,210 balance is punitive.

While the Court has been reluctant to fix a bright-line ratio that punitive damages cannot exceed for purposes of the Due Process Clause, it has suggested that "an award of more than four times the amount of compensatory damages might be close to the line of constitutional impropriety." *State Farm*, 538 U.S. at 425, 123 S.Ct. 1513. Here, the ratio of punitive damages to compensatory damages is approximately 3.6-to-1, which falls just under the ratio the Court deems constitutionally suspect.[20] We therefore conclude that *390 the damages award is constitutional under the Fifth and Eighth Amendments.

V.

Finally, we do not discount the concerns raised by our concurring colleague regarding the result in this case. But having no found no cause to upset the jury's verdict in this case and no constitutional error, it is for Congress to consider whether changes to the Stark Law's reach are in order.

AFFIRMED

WYNN, Circuit Judge, concurring:

Because Tuomey opened the door to the admission of Kevin McAnaney's testimony by asserting an advice of counsel defense, and because I cannot say, based on the record before me, that no rational jury could have determined that Tuomey violated both the Stark Law and the False Claims Act, I concur in the outcome today.

But I write separately to emphasize the troubling picture this case paints: An impenetrably complex set of laws and regulations that will result in a likely death sentence for a community hospital in an already medically underserved area.

I.

Regarding the issue of whether the district court correctly granted a new trial, we review such a decision for abuse of discretion. *Cline v. Wal-Mart Stores, Inc.*, 144 F.3d 294, 301 (4th Cir.1998). Similarly, we "review a trial court's rulings on the admissibility of evidence for abuse of discretion," and we will overturn such a ruling only if it is "arbitrary and irrational." *United States v. Cole*, 631 F.3d 146, 153 (4th Cir.2011) (quotation marks and citation omitted).

A.

Judge Perry, who presided over the first trial, excluded McAnaney's testimony pursuant to Evidence Rule 408, which can be used to exclude evidence of settlement negotiations. Under Rule 408, "conduct or a statement made during compromise negotiations about [a disputed] claim" is generally inadmissible when used to "prove or disprove the validity or amount of a disputed claim." Fed.R.Evid. 408(a).

It is unclear to me that the district court abused its discretion in determining that McAnaney's testimony could be excluded under Rule 408. In his deposition testimony, McAnaney described himself as "a tie breaker" who was jointly hired by Drakeford and Tuomey when they could not agree about whether the contracts violated the Stark Law—arguably a disputed claim. J.A. 139–41. Tuomey's and Drakeford's dispute about the legality of the contracts reached impasse and ended in Drakeford acting as a relator of this qui tam action only three months later. Had Drakeford and Tuomey been able to reach an agreement, Drakeford presumably would not have filed this suit, in which the government, having intervened, now stands in Drakeford's shoes.

Rule 408's exclusionary provision applies where a "dispute or a difference of opinion exists," not just "when discussions crystallize to the point of threatened litigation." *Affiliated Mfrs., Inc. v. Aluminum Co. of Am.*, 56 F.3d 521, 527 (3d Cir.1995). When viewed thusly, it is hard to say that Judge Perry acted either arbitrarily or irrationally in deeming McAnaney's testimony excludable.

Crucially, however, evidence subject to exclusion under Rule 408 is so excludable "*only* if the evidence is offered to prove *391 either liability for or invalidity of a claim or its amount," otherwise, it may come in. *Bituminous Const., Inc. v. Rucker Enterprises, Inc.*, 816 F.2d 965, 968 (4th Cir.1987) (emphasis added); Fed.R.Evid. 408(b) ("The court may admit this evidence for another purpose."). Stated differently, "[s]ince the rule excludes only when the purpose is proving the validity or invalidity of the claim or its amount, an offer for another purpose is not within the rule." 2–408 Weinstein's Fed. Evid. § 408.08 (quotation marks and citation omitted). Therefore, if the McAnaney evidence was admissible for a purpose beyond the validity or amount of a disputed claim, Rule 408 would provide no basis for barring it wholesale from the first trial.

B.

The government argues, among other things, that the McAnaney evidence went to the heart of an issue wholly beyond the scope of Rule 408's limited exclusionary ambit —namely, Tuomey's advice of counsel defense. With this, I must agree.

As explained by a district court in this Circuit in the context of a False Claims Act fraud claim, "good faith reliance on the advice of counsel may contradict any suggestion that a [defendant] 'knowingly' submitted a false claim." *United States v. Newport News Shipbuilding, Inc.*, 276 F.Supp.2d 539, 565 (E.D.Va.2003). "[I]f a [defendant] seeks the advice of counsel in good faith, provides full and accurate information, receives advice which can be reasonably relied upon, and, in turn, faithfully follows that advice, it cannot be said that the defendant 'knowingly' submitted false information or acted with deliberate ignorance or reckless disregard of its falsity, even if that advice turns out in fact to be false." *Id. See also, e.g., United States v. Butler*, 211 F.3d 826, 833 (4th Cir.2000) (identifying the elements of the advice of counsel defense as "(a) full disclosure of all pertinent facts to [a lawyer], and (b) good faith reliance on the [lawyer]'s advice").

When a party raises an advice of counsel defense, however, all advice on the pertinent topic becomes fair game. "It has ... become established that if a party interjects the 'advice of counsel' as an essential element of a claim or defense," then "all advice received concerning the same subject matter" is discoverable, not subject to protection by the attorney-client privilege, and, by logical extension, admissible at trial. 1 McCormick On Evid. § 93 (7th ed.2013). *See also, e.g., In re EchoStar Commc'ns Corp.*, 448 F.3d 1294, 1299 (Fed.Cir.2006) ("Once a party announces that it will rely on advice of counsel ... the attorney-client privilege is waived. The widely applied standard for determining the scope ... is that the waiver applies to all other communications relating to the same subject matter.... Thus, when EchoStar chose to rely on the advice of in-house counsel, it waived the attorney-client privilege with regard to any attorney-client communications relating to the same subject matter, including communications with counsel other than in-house counsel, which would include" the advice of outside counsel.) (quotation marks and citation omitted).

Here, there can be no doubt that Tuomey pressed an advice of counsel defense. Tuomey argued to the first jury, for example, that "[t]he lawyers were the ones running the show.... All Tuomey did was accept their recommendations and vote on them if they thought that it was something that would be good for the hospital. Advice of counsel is a very, very good defense. It is one that the law recognizes, and it is one that ... fits perfectly in this situation." Trial I, Transcript for Mar. 25, 2010, at 1986.

Further, the district court instructed the jury on the advice of counsel defense, making *392 clear that it provided a vehicle for absolving Tuomey of False Claims Act liability. The court instructed, among other things, that "the defendant has asserted an affirmative defense of advice of counsel to the United States' allegation that it acted in violation of the False Claims Act. An affirmative defense is an argument that, if true, will defeat the government's claim." Trial I, Transcript for Mar. 26, 2010, at 2098–99. Regarding what Tuomey needed to show to succeed with that defense, Judge Perry instructed that "in order for the defendant to prevail on its affirmative defense of advice of counsel, Tuomey must prove the following: One, that the advice was sought in good faith; two, that Tuomey provided full and accurate information to the attorney; three, the advice could be reasonably relied upon; and, four, Tuomey faithfully followed the attorney's advice." *Id.*

Having put the advice it got from its lawyers squarely at issue, Tuomey should not have been permitted to cherry-pick which advice of counsel the jury was permitted to hear. Instead, the jury should have been allowed to consider all the advice of all Tuomey's counsel—including McAnaney.

The record makes clear that, whatever else McAnaney's assessment was, it was also advice of counsel. McAnaney's engagement letter to Tuomey and Drakeford, who had hired him jointly, stated that McAnaney, a lawyer, had been "retained" to "review and advise" the parties "with respect to a proposed business relationship." J.A. 145. McAnaney committed to being guided by the parties' "instructions in carrying out the representation" and reporting to the parties his "conclusions" and "any potential compliance issues." *Id.* In other words, McAnaney was Tuomey's counsel, and he advised Tuomey about the contracts at the heart of this case.

The record makes similarly clear that Tuomey did not follow McAnaney's advice. McAnaney advised Tuomey that the proposed contracts raised significant "red flags" under the Stark Law. J.A. 2054. McAnaney advised that Tuomey would have difficulty persuading the government that the contracts did not compensate the physicians in excess of fair market value. And McAnaney warned Tuomey that the contracts presented "an easy case to prosecute" for the government. J.A. 2078. Rather than heed this advice and back away from the contracts, however, Tuomey told McAnaney not to put his conclusions in writing and ended his engagement.

Allowing McAnaney's testimony into evidence to show the advice he gave in light of Tuomey's advice of counsel defense would have been outside of Rule 408's limited exclusionary ambit. In other words, by pressing an advice of counsel defense, Tuomey itself opened the door for McAnaney's testimony to come in, even if it otherwise might have been excludable under Rule 408. *See* Fed.R.Evid. 408(b). Despite this, the district court barred McAnaney's testimony wholesale.

In keeping McAnaney out of the first trial, the district court prevented the jury from getting the full picture of what advice Tuomey had gotten from counsel. Tuomey told the jury that "[t]he lawyers were the ones running the show ... All Tuomey did was accept their recommendations." Trial I, Transcript for Mar. 25, 2010, at 1986. But the government was effectively prevented from showing that Tuomey had gotten conflicting recommendations from its different counsel, picked its preferred advice, and discarded the rest. It is hard to imagine that this constituted anything other than a prejudicial abuse of discretion. *Cf. Rodriguez–Garcia v. Municipality of Caguas*, 495 F.3d 1 (1st Cir.2007) (reversing because erroneous Rule 408 ruling *393 hamstrung plaintiff's ability to show elements of claim).

In sum, in allowing Tuomey to press its advice of counsel defense and giving the jury an advice of counsel instruction yet preventing the jury from hearing all the advice that Tuomey got, the district court abused its discretion and prejudiced the government. This error alone was grave enough to warrant a new trial. Accordingly, I, too, conclude that Judge Perry's decision to grant a new trial must be upheld.

II.

Moving beyond the district court's decision to grant a new trial, I agree with the majority that the jury's determination that Tuomey violated both the Stark Law and the False Claims Act must stand. Our standard of review at this juncture is

a highly deferential one, "accord[ing] the utmost respect to jury verdicts" and "constraining" us to affirm so long as the record contains "sufficient evidence for a reasonable jury" to have returned the verdict it did. *Lack v. Wal–Mart Stores, Inc.*, 240 F.3d 255, 259 (4th Cir.2001). After careful review of the record, I cannot conclude that no reasonable jury could have reached the verdict before us.

Nevertheless, I am troubled by the picture this case paints: An impenetrably complex set of laws and regulations that will result in a likely death sentence for a community hospital in an already medically underserved area.

A.

The Stark Law is, at its core, a prohibition on self-referrals, barring doctors from referring patients for certain services to entities in which the doctors (or their immediate family members) have a financial interest, unless an exception applies. Patrick A. Sutton, *The Stark Law in Retrospect*, 20 Annals Health L. 15, 25–26 (2011). Further, entities providing the pertinent services are prohibited from billing Medicare or Medicaid pursuant to such a prohibited referral. *Id.*

"The Stark Law is a strict liability statute so it is immaterial whether one intended to violate the law; an inadvertent violation can trigger liability." Paula Tironi, *The "Stark" Reality: Is the Federal Physician Self–Referral Law Bad for the Health Care Industry?*, 19 Annals Health L. 235, 237–38 (2010). Individuals and entities that violate the Stark Law can be subject to severe monetary penalties and exclusion from federal health care programs. *Id.* These "steep civil sanctions and program exclusions may be ruinous. Health care providers are open to extensive liability, their financial security resting uneasily upon a combination of their attorneys' wits [and] prosecutorial discretion." Jo–Ellyn Sakowitz Klein, *The Stark Laws: Conquering Physician Conflicts of Interest?*, 87 Geo. L.J. 499, 503–04 (1998).

Despite attempts to establish "bright line" rules so that physicians and healthcare entities could "ensure compliance and minimize ... costs," 66 Fed.Reg. 856, 860 (Jan. 4, 2001), the Stark Law has proved challenging to understand and comply with. Indeed, "[t]he Stark law is infamous among health care lawyers and their clients for being complicated, confusing and counterintuitive; for producing results that defy common sense, and sometimes elevating form over substance. Ironically, the Stark law was actually intended to simplify life by creating 'bright lines' between what would be permitted and what would be disallowed, and creating certainty by removing intent from the equation." Charles B. Oppenheim, *The Stark Law: Comprehensive Analysis + Practical Guide* 1 (AHLA 5th ed.2014). Some of the invective used to describe the Stark law even borders on lyrical: "ambiguous[,] arcane[,] and very vague;" and "heaps of *394 words in barely decipherable bureaucratese." Steven D. Wales, *The Stark Law: Boon or Boondoggle? An Analysis of the Prohibition on Physician Self–Referrals*, 27 Law & Psychol. Rev. 1, 22–23 (2003) (quotation marks and citations omitted).

Given this complexity and the strict liability nature of the statute, a Stark Law "compliance program can help a physician or [ ] entity prove good faith and obtain leniency in the event of a violation; however, the Stark Law's complexity and frequent revisions make it difficult for physicians and entities to develop and implement such programs." Tironi, *supra* at 238. Against this problematic backdrop, the availability of an advice of counsel defense should perhaps be especially robust in Stark Law cases prosecuted under the False Claims Act.

B.

The False Claims Act discourages fraud against the federal government by imposing liability on "any person who ... *knowingly* presents, or causes to be presented, a false or fraudulent claim for payment or approval." 31 U.S.C. § 3729(a)(1)(A) (emphasis added). The False Claims Act is meant "to indemnify the government ... against losses caused by a defendant's *fraud*," *Mikes v. Straus*, 274 F.3d 687, 696 (2d Cir.2001) (citing *United States ex rel. Marcus v. Hess*, 317 U.S. 537, 549, 551–52, 63 S.Ct. 379, 87 L.Ed. 443 (1943)), as opposed to a defendant's mistake.

Accordingly, a defendant may skirt False Claims Act liability by showing good faith reliance on the advice of counsel. As the majority opinion recognizes, in fraud cases, " '[i]f in good faith reliance upon legal advice given him by a lawyer to whom he has made full disclosure of the facts, one engages in a course of conduct later found to be illegal,' " the trier of fact may conclude that the conduct was innocent because " 'the guilty mind' was absent." *Ante* at 380–81 (quoting *United States v. Painter*, 314 F.2d 939, 943 (4th Cir.1963)).

In the context of the Stark Law, it is easy to see how even diligent counsel could wind up giving clients incorrect advice. Between the law's being amended to have a broader scope but then narrowed with various exceptions, along with the promulgation and amendment of copious associated rules and regulations, "the Stark Law bec[ame] a classic example of a moving target. For lawyers, who must depend on the predictability of the law when they give counsel to their clients, such unpredictability [i]s an unusually heavy burden." Wales, *supra* at 21.

In this case, there can be no doubt that Tuomey sought and followed the advice of its long-time counsel, Nexsen Pruet. Nexsen Pruet drafted and approved the contracts at the heart of this litigation. Tuomey and Nexsen Pruet consulted with others, including the nation's largest healthcare law firm and a national consulting firm with expertise in physician compensation. Those experts, too, signed off on the arrangements (though the parties dispute whether Tuomey had shared all pertinent information for purposes of these additional assessments).

Nevertheless, as the majority opinion notes, "a reasonable jury could have concluded that Tuomey was ... no longer acting in good faith reliance on the advice of its counsel when it refused to give full consideration to McAnaney's negative assessment of the" contracts. *Id.* at 32. As already explained, McAnaney, the former Chief of the Industry Guidance Branch at the Department of Health and Human Services' Office of Counsel to the Inspector General, also served as Tuomey's counsel. And he advised Tuomey that the proposed arrangements raised significant red *395 flags and may well be unlawful. Had Tuomey followed McAnaney's advice, it likely would have faced no lawsuit in which to raise an advice of counsel, or any other, defense.

III.

This case is troubling. It seems as if, even for well-intentioned health care providers, the Stark Law has become a booby trap rigged with strict liability and potentially ruinous exposure—especially when coupled with the False Claims Act. Yet, the district court did not abuse its discretion when it granted a new trial and the jury did not act irrationally when it determined that Tuomey violated both the Stark Law and the False Claims Act. Accordingly, I must concur in the outcome reached by the majority.

All Citations

792 F.3d 364, Med & Med GD (CCH) P 305,342

Footnotes

1 Under the qui tam provisions of the FCA, a whistleblower (known as the relator) can file an action on behalf of the federal government for alleged fraud committed against the government. If the action is successful, the relator shares in the recovery.

2 According to McAnaney, the joint venture alternative raised separate concerns under the Anti-Kickback Statute, 42 U.S.C. § 1320a–7b(b), which bars "the payment of remuneration for the purpose of inducing the purchase of health care covered by any federal health care insurance program." Michael K. Loucks & Carol C. Lam, *Prosecuting and Defending Health Care Fraud Cases* 233 (2d ed.2010).

3 Tuomey also sought leave to pursue an interlocutory appeal of the district court's order granting a new trial on the FCA claim. We denied that motion.

4 Because the Stark Law does not create its own right of action, the government in this case sought relief under the FCA, which provides a right of action with respect to false claims submitted for Medicare reimbursement. *See Drakeford*, 675 F.3d at 396 & n. 2.

5 Hewson was likely recounting the details of two separate conference calls. The first call was between McAnaney, Smith, and Hewson and covered the part-time employment contracts. The following day, Steve Pratt joined those three for a second call focusing on the joint venture arrangement. When asked if he was aware that there were two separate conference calls, Martin responded that he did not "remember for sure." J.A. 105.

6 Tuomey says that we may not affirm on this alternative ground because the government's brief never asked us to do so. But this assertion splits the thinnest of hairs. While perhaps the government could have been more direct in its brief, it clearly alerted us (and Tuomey) that there was an alternate ground for affirming the district court. *See* Appellee's Br. at 82 ("[The] new trial ruling was correct not only because of the exclusion of Martin's testimony, but also because the exclusion of McAnaney's testimony and related evidence was clearly erroneous and affected the substantial rights of the government.").

7 Drakeford was not called as a witness at either trial.

8 We note that Tuomey waived the attorney-client privilege with respect to its communications with McAnaney when it asserted the advice-of-counsel defense. *See Rhone–Poulenc Rorer Inc. v. Home Indem. Co.*, 32 F.3d 851, 863 (3d Cir.1994) ("A defendant may ... waive [attorney-client] privilege by asserting reliance on the advice of counsel as an affirmative defense.").

9 In any event, as our concurring colleague ably explains, even assuming that McAnaney's testimony would ordinarily be excludable under Rule 408, Tuomey nonetheless opened the door to its admission by raising the advice-of-counsel defense.

10 We are not persuaded by Tuomey's reliance on commentary promulgated by the Centers for Medicare & Medicaid Services as it developed implementing regulations for the Stark Law. Tuomey points to a portion of the commentary wherein the agency states that the "fact that corresponding hospital services are billed would not invalidate an employed physician's personally performed work, for which the physician may be paid a productivity bonus (subject to the fair market value requirement)." 69 Fed.Reg. at 16089. But this statement deals only with a productivity bonus based on the fair market value of the work personally performed by a physician—it says nothing about the propriety of varying a physician's base salary based on the volume or value of referrals.

In any case, the commentary regarding productivity bonuses appears under a section of the regulations that specifically addresses comments related to the exception for bona fide employment relationships. This exception covers circumstances where there is a meaningful administrative relationship between the physician and the hospital. The jury was instructed on this exception at trial, and rejected it. Tuomey does not quarrel with that aspect of the jury's verdict; rather it contends that the commentary applies irrespective of whether a bona fide employment relationship actually exists. Nothing in the statute or the regulations, however, supports this notion.

11 We note also that the jury at the second trial considered the deposition testimony of Tuomey executive Gregg Martin. While this evidence is (for reasons we have explained) not overly compelling in isolation, it is not without some value in showing that Tuomey was aware that its proposed contracts raised Stark Law concerns.

12 The government contended that Tuomey submitted 25,973 total claims for payment to Medicare between fiscal years 2005 and 2009. The government's evidence on this point consisted of a summary chart detailing the number of claims filed by Tuomey in each fiscal year. It appears, however, that the jury subtracted the 4,243 claims that Tuomey submitted in fiscal year 2005 (running from October 1, 2004 to September 30, 2005) from the government's number. From this, the district court surmised that the jury resolved to hold Tuomey responsible for those claims filed beginning in fiscal year 2006 (that is, on or after October 1, 2005) given that they were filed after Tuomey terminated McAnaney's joint representation on September 2, 2005. We think this is an entirely reasonable view of the evidence.

13 Because two of Tuomey's challenges to the instructions address the proper calculation of damages, we address them separately *infra* at Sections IV.A.1, and IV.B.

14 In *Wilson*, there was no either/or proposition of the kind present here. Rather, in that case, the relators contended that the disputed statement was false because the defendant "agreed to [certain conditions] in the contract even though it knew it would not, and later did not, abide by those terms." *Wilson*, 525 F.3d at 377. As we explained, the relators' assertion did not rest on an objective falsehood, "but rather on Relators' subjective interpretation of [the defendant's] contractual duties." *Id.*

15 The FCA sets the civil penalty range at $5,000 to $10,000, but includes a provision that adjusts the range for inflation.

16 Form UB–92 (later replaced by Form UB–04) is used by hospitals to submit a claim for reimbursement to Medicare.

17 Cost reports (CMS–2552) "are the final claim that a provider submits to the fiscal intermediary for items and services rendered to Medicare beneficiaries.... Medicare relies upon the hospital cost report to determine whether the provider is entitled to more reimbursement than already received through interim payments, or whether the provider has been overpaid and must reimburse Medicare." J.A. 68–69 (citing 42 C.F.R. §§ 405.1803; 413.60, 413.64(f)(1)).

18 For the same reason, we also reject Tuomey's contention that the district court erred in failing to instruct the jury that the government had to prove that the services received were worth less than what the government paid.

19 Because the FCA's civil penalty and treble damages provisions are Congressional mandates, we believe this final factor is not instructive here. Indeed, to the extent that the district court exercised any discretion at all, it did so by imposing the statutory minimum civil penalty for each fraudulent claim.

20 The government contends that the ratio between the penalty awarded and the actual damages (after accounting for the relator's recovery) may be as low as 2–to–1 or even 1–to–1. This calculation, however, ignores the treble damages award, a portion of which we consider to be punitive.

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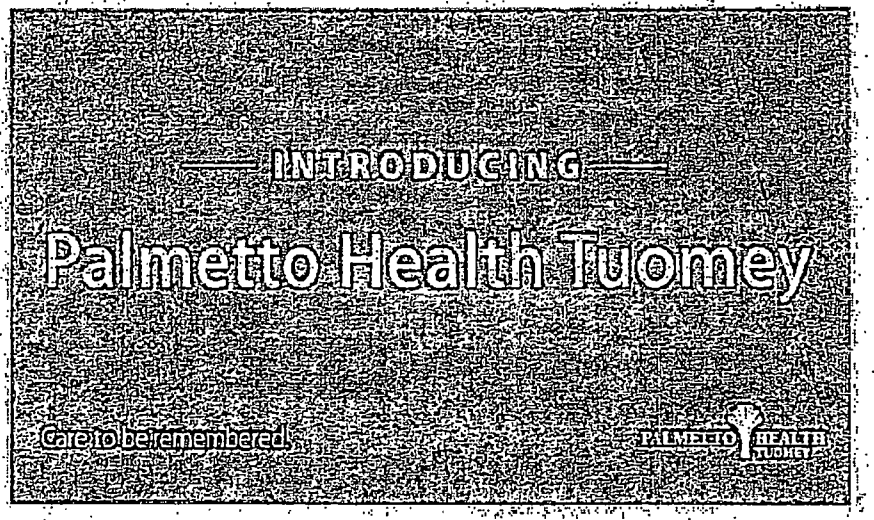
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EXHIBIT 10

NEWS

Hospital begins a new year as Palmetto Health Tuomey

1/5/2016



Palmetto Health and Tuomey Healthcare System Finalize Partnership

Tuomey Healthcare System becomes Palmetto Health Tuomey

Palmetto Health and Tuomey Healthcare System have finalized their partnership. With the completion of the negotiations, Tuomey Healthcare System becomes Palmetto Health Tuomey. The two health care systems have been exploring a formal partnership since the announcement in February that the Tuomey Healthcare System Board elected to enter into exclusive negotiations with Palmetto Health. In October, leaders from Palmetto Health and Tuomey announced finalizing negotiations with the goal for the partnership to become operational on Jan. 1, 2016.

Charles D. Seaman, Jr., Palmetto Health Chief Executive Officer, said, "Today we welcome our newest team members, physicians and volunteers to Palmetto Health as part of Palmetto Health Tuomey. Many of us from Palmetto Health and the former Tuomey Healthcare System have been working together for several months to bring our partnership together. Today we are one."

Palmetto Health also named Michelle Logan Owens, who has been serving as interim president and CEO of Tuomey Healthcare System since June, as the chief operating officer of Palmetto Health Tuomey. In this role, she will oversee the operations of Palmetto Health Tuomey and report directly to Palmetto Health President John Singerling. This structure is identical to other Palmetto Health campuses.

EXHIBIT 10

Back to News Listing

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

United States of America, ex. rel., Michael K. Drakeford, M.D., Plaintiff, v. Tuomey d/b/a Tuomey Healthcare System, Inc., Defendant.	Civil Action No. 3:05-2858-MJP

Jury Verdict Form

A. Regarding the Stark Law:

1. We, the jury, find that Tuomey:

X Violated the Stark Law

OR ____ Did not violate the Stark Law

REDACTED

Signed, Foreperson

March 29, 2010

EXHIBIT B

B. **Regarding False Claims Act:**

1. We, the jury, find that Tuomey:

____ Violated the False Claims Act

OR X Did not violate the False Claims Act

2. If Tuomey violated the False Claims Act, the total damages under the False Claims Act, if any:

_____ dollars

($ _____).

3. If Tuomey violated the False Claims Act, how many false claims were submitted by Tuomey, if any:

_____

REDACTED

Signed, Foreperson

March 29, 2010

End of Jury Verdict Form

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

CA NO. 3:05-CV-02858-MJP

UNITED STATES OF AMERICA, ex rel., MICHAEL K. DRAKEFORD, M.D., Plaintiff, v. TUOMEY d/b/a TUOMEY HEALTHCARE SYSTEM, INC. Defendant.	**ORDER**

This matter is before the Court upon the motion of the United States Judgment on its Common Law Claims. The Court has carefully considered the arguments of counsel as well as the memoranda submitted. Accordingly based upon the evidence admitted at trial and the jury having returned its verdict on March 29, 2010, and having found that defendant Tuomey Healthcare System, Inc. ("Tuomey") violated the Stark Law, 42 U.S.C. § 1395nn, (Dkt. No. 504), and the record as a whole, I hereby make the following findings of fact:

1. Pursuant to the jury verdict, Tuomey violated the Stark Law.
2. Tuomey submitted claims in violation of the Stark Law, and for services rendered through June 30, 2009, the United States paid those claims in the amount of $44,888,651.00.

I also hereby make the following conclusions of law:

1. Under the Stark Law, claims submitted in violation of that Statute and payments made by the government in response to such claims must be repaid to the government.

2. The Supreme Court of the United States has recognized that where the government pays out moneys under a circumstance that is unlawful or is improper that the government has the right to be reimbursed.

It is therefore **ORDERED**, that the United States is entitled to judgment in its favor upon Count IV (payment by mistake) and Count V (unjust enrichment) of the Second Amended Complaint (Dkt. No. 151) (collectively, the common law claims); and it is

FURTHER ORDERED, that defendant Tuomey shall make payment to the United States in the total amount of **$44,888,651.00** plus accrued prejudgment interest in the amount of **$4,040,133.92** through April 15, 2010, and **$5,122.50** in additional prejudgment interest each day from April 15, 2010 through the date of this Order; and it is

FURTHER ORDERED, that post-judgment interest shall accrue upon the amounts owed by Tuomey to the United States as provided by 28 U.S.C. § 1961 until payment has been made in full to the United States.

If the United States prevails on the re-trial on the issue of violation of the False Claims Act, Tuomey shall receive credit on that judgment for any payments made in response to this Order.

There is no just reason to delay entry of a final judgment on the United States' Common Law Claims. Therefore, the Clerk shall enter a judgment against Tuomey on Counts IV and V of the Second Amended Complaint as provided in this Order. The False Claims Act allegations in

the Second Amended Complaint remain before this Court for re-trial, in accordance with a separate Order being entered in this case.

s/MATTHEW J. PERRY, JR.
Senior United States District Judge

July 13, 2010
Columbia, South Carolina

AO 450 (SCD 04/2010) Judgment in a Civil Action

UNITED STATES DISTRICT COURT

for the

District of South Carolina

United States of America, ex rel, Michael K. Drakeford, M.D.
Plaintiff
v.
Tuomey d/b/a Tuomey Healthcare System, Inc
Defendant

Civil Action No. 3:05-cv-2858-MJP

JUDGMENT IN A CIVIL ACTION

The court has ordered that *(check one)*:

■ the plaintiff *(name)* United States of America, ex rel, recover from the defendant *(name)* Tuomey, d/b/a Tuomey Healthcare Systems, Inc, on the common law claims, Count IV and Count V of the Second Amended Complaint, the amount of Forty-four Million, Eight Hundred Eighty-eight Thousand, Six Hundred Fifty-one and 00/100, dollars ($44,888,651.00)dollars, plus accrued prejudgment interest in the amount of Four Million, Forty Thousand, One Hundred Thirty-three and 92/100 ($4,040,133.92) dollars, through April 15, 2010, and Five Thousand One Hundred Twenty-two and 50/100 ($5,122.50)dollars, in additional prejudgment interest each day from April 15, 2010 through date of this Judgment, plus post-judgment interest shall accrue in the amounts as provided by 28 U.S.C. Section 1961 until payment has been made in full.

☐ the plaintiff recover nothing, the action be dismissed on the merits, and the defendant *(name)* _____ recover costs from the plaintiff *(name)* _____.

☐ other:

This action was *(check one)*:

■ tried by a jury, the Honorable Matthew J. Perry, Jr., Senior U.S. District Judge presiding, and the jury has rendered a verdict by answering special interrogatories.

☐ tried by the Honorable _____ presiding, without a jury and the above decision was reached.

☐ decided by the Honorable

Date: July 13, 2010

CLERK OF COURT

s/ Yvonne D. Davis

Signature of Clerk or Deputy Clerk

APPROVED BY

MATTHEW J. PERRY, JR.
SENIOR U.S. DISTRICT JUDGE

EXHIBIT C

Kathy Sapp

Copy & Index

STATE OF SOUTH CAROLINA COURT OF COMMON PLEAS

COUNTY OF SUMTER

- - -

WIN MYAT, Plaintiff, vs. TUOMEY REGIONAL MEDICAL CENTER, Defendant.	CIVIL ACTION NO.: 2012-CP-43-2030

DEPOSITION OF KATHY SAPP

DATE TAKEN: December 22, 2014

TIME BEGAN: 10:00 a.m.

TIME ENDED: 10:25 a.m.

LOCATION: Lee, Erter, Wilson, Holler & Smith, LLC
126 North Main Street
Sumter, South Carolina

REPORTED BY: Tami I. Watters, RPR, CRR
EveryWord, Inc.
P.O. Box 1459
Columbia, South Carolina 29202
(803) 212-0012

PLAINTIFF'S EXHIBIT C

that you were in?

A He was just a few doors -- few rooms down from where I was at. I mean -- shall I go into --

Q Yeah. I'm gonna -- what I want to do is ask you generally -- tell me -- take me from immediately before you saw whatever you saw; you know, why were you outside the room, did you hear something or whatever.

Just tell me exactly what happened.

A Okay. I'll tell you what happened and how I observed it.

Q Great.

A All right. We were sitting in the inmate's room. The nurse had just walked in to attend to the inmate and she did not close the door.

Q Okay.

A All right. Now, where I was positioned, my chair was against this wall here. And as soon as you walk in the room, I was sitting here, the inmate's bed's here and Sergeant Austin was stationed on the other side by the window.

Well, when the nurse walked in, she left the door open. And from where I was sitting at, I could see straight down the hall to the nurse's

desk. I mean, it's not but just a few rooms from where the station was located.

Q So you could see just from where you were sitting inside the room --

A Yes, sir, clear view, door wide open.

Q Okay.

A I observed Dr. Myat -- I saw him coming down the hall. So I'm just watching.

Q Did you know him?

A Well, just from him -- maybe every once in a while he may come in to speak to one of our inmate's if he was there to treat him.

Q Okay.

A But personally, no, sir, I do not.

Q Okay.

A But I saw Dr. Myat walking down the hall, and, all the sudden, he just went bam. I mean, he went down hard.

I remember telling Sergeant Austin that Dr. Myat just fell, and I got up and I went to him to check on him.

Q Okay. And tell me what you saw and what you did and what you said when you went to check on him.

A Well, the first thing I did was I asked

him if he was all right. And he had commented about slipping on water.

Well, I looked, and there was water on the floor. I mean, it wasn't a super huge puddle. Like it might have been where maybe ice or something -- little bunch of ice might have dropped and melted.

Q Uh-huh.

A And the nurse, about that time they come running. Well, they're trying to get him up, and I told them, you know, don't stand him up. I said, y'all need to call to the ER and get somebody up to get him.

But Mr. Myat, he was sitting on the floor. I know when he pulled his pants leg up, I observed his knee.

Q Uh-huh. What did it look like?

A It looked weird. You know, your leg is shaped this way. Well, when he pulled his pants leg up, it was like it went like this. Almost like it knocked his knee back or knocked the kneecap up or something.

Q Do you remember if it was his right or his left knee?

A Oh, goodness.

Q If you remember.
A I don't remember.
Q Okay.
A I don't want to say because I'm not a hundred percent sure.
Q That's fine. That's fine. And about what time was this, if you remember?
A I don't remember that either.
Q Okay. That's fine. Did you notice anyone else --
When you got to Dr. Myat, did you notice anyone else in the hallway that you could see?
A I didn't observe anybody else --
Q Okay.
A -- until the two nurses had come, you know, to check on him.
Q And did you call the nurses or they just heard the commotion?
A I think they heard the commotion and they come out to check. I think they may have been in patients' rooms at the time.
Q Okay. Do you remember who the nurses were that came?
A I do not.
Q Okay.

A I just remember --
Q Did you know them?
A -- it was two females.
Q Okay. White or not white?
A I don't remember their race.
Q Okay.
A I just remember two female nurses.
Q That's fine. That's fine.
A It's been awhile back.
Q Sure. Of course. I understand that. And how would you describe the immediate area where Dr. -- where you found Dr. Myat on the floor? Was it just in the middle of the hallway, was it near a room, front of a room, in a room?
A Well, when I got to him, he'd already like leaned up against the nurse's station area.
Q Okay.
A I wouldn't say it was in the middle of the hall. It was probably more to the side.
Q Okay. And did you -- you said you noticed some water on the floor.
A Yes, sir. There was a puddle of water, which I'm assuming it was water.
Q Sure.
A It was clear liquid.

Q Right. Did you notice whether Dr. Myat's foot or pants leg or anything was wet?

A I didn't pay attention to that, sir.

Q Did he say anything to you as to what happened; how he fell?

A He had said that he had slipped in water when I got there.

Q Did you observe -- did you notice whether or not, in the immediate vicinity where you saw -- you found Dr. Myat, was there any icemakers, glasses of liquid, anything around there?

A No, sir. I didn't notice anything like that.

Q Didn't notice?

A There was no carts or nothing around.

Q Okay.

A As best as I can remember, the hall was clear.

Q Okay. Did -- while you were there, did anyone -- strike that.

Did the nurses comment about the water on the floor when you -- in your presence or did you say anything to them about the water on the floor?

A I want to say that I had mentioned to them that he'd slipped in water.

Q Okay. Do you recall anything that the nurses may have said at any time while they were there?

A No. The only thing, I noticed the nurses, you know, were concerned for Dr. Myat. You know, they -- because he'd gotten hurt.

Q Okay.

A They were all concerned about him.

Q Did -- did you observe anyone -- well, the nurses or anyone else from the hospital wiping the water up off of the floor?

A No, sir, I can't say that I did.

Q Okay.

A And I'm just assuming it was water.

Q Sure. Yes.

A Because I did -- I saw clear liquid on the floor.

Q I understand that.

A Well, I'm calling it water.

Q Of course. That would be fine. Were you -- were you still there with Dr. Myat when they came to take him to the emergency room?

A No, sir. At that point, I'd went back to my room.

Q And you left him with the nurses?

A Yes, sir.
Q Okay. Did you --
A But I did see them come up to get him.
Q Did you have any further conversations with those nurses later on or at any time after that about what happened?
A I don't think so.
Q Okay.
A I do remember there was someone from the hospital that come up and questioned me about what I had seen. I had spoke to them and told them.
Q Okay. Do you remember when that was, the person --
A I don't. I'm sorry. I didn't think I needed to keep up with all that.
Q No. That's fine. That's fine. Do you remember whether -- well, let me ask you this: When you spoke to this person from the hospital, how long after this occurred did that happen? Was it that night or days later, weeks later?
A Oh, goodness. I can't remember. I don't think it was too long after the incident.
Q Does the name Mary Yates sound familiar to you? Would that have been somebody that you talked to?

A I'm not sure. I know it was a female. I know she said she had something to do with the hospital that come and questioned me.

Q And tell me what this lady asked you, as best as you recall.

A Actually, she pretty much asked me what I had seen, what I had observed with the doctor falling.

Q Right.

A And I told her the same thing that I told you, that I saw him walking down the hall, I saw him fall, and when I got there, he said he fell in water, and I did see some liquid on the floor.

Q Okay. Other than speaking with the two nurses when they came to Dr. Myat's side and speaking to this other lady from the hospital sometime after that --

A --Yes, sir.

Q -- have you talked to anyone else connected with Tuomey Hospital regarding this incident?

A No, sir.

Q Have you talked to Mr. Holler or any other lawyers about this incident?

A No, sir.

first observed it, I thought it was maybe where some ice -- a bunch of ice had fallen and melted.

Q And the diameter of that area that you're describing to me with your hands would be how many inches?

A I guess probably about six-and-a-half, maybe seven inches.

Q Was it just one spot or were there multiple spots?

A I mostly only just saw the one spot -- well, it was a little skewed, but I think that might have been from --

Q Dr. Myat's foot?

A Uh-huh.

Q Is that a yes?

A Yes. I'm sorry. Yes.

Q That's okay. How was the lighting in the hallway?

A It was bright.

Q Okay. When you looked at this water on the floor, did you have any trouble seeing it?

A No, sir.

Q Would any person looking at this water, as you saw it, the clear liquid -- and I'm calling it water but let's call it clear liquid.

EXHIBIT D

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) THIRD JUDICIAL CIRCUIT
COUNTY OF SUMTER) 2012-CP-43-2030

Dr. Win Myat,

Plaintiff,

vs.

Tuomey Healthcare System,

Defendant.

DEPOSITION OF
WILLIAM WHITEHOUSE

Deposition of WILLIAM WHITEHOUSE, taken by Doris Tompkins Brown, Certified Verbatim Reporter and Notary Public in and for the State of South Carolina, commencing at 10:12 A.M. on October 16, 2014, at the offices of Lee, Erter, Wilson, Holler and Smith, 126 North Main Street, Sumter, South Carolina.

ON BEHALF OF THE PLAINTIFF: William R. Padget
The Finkel Law Firm
Post Office Box 1799
Columbia, South Carolina

ON BEHALF OF THE DEFENDANT: David C. Holler
Lee, Erter, Wilson,
Holler and Smith
Post Office Box 580
Sumter, South Carolina

Doris Tompkins Brown

COPY

Certified Verbatim Reporter
Post Office Box 853
Sumter, South Carolina 29151
(803) 409-2434

COPY

PLAINTIFF'S EXHIBIT
tabbies
D

A. Okay.
Q. From what room do you recall leaving to go assist Dr. Myat?
A. From, I believe, it was Room 346.
Q. Okay. As you approached Dr. Myat, do you recall on which side or if she was in the front, where -- where Ms. Wilson was situated at that time?
A. No.
Q. Okay. It's my understanding that there is an ice machine somewhere nearby the Nurses' Station; is that accurate?
A. Yes.
Q. Could you identify on the schematic for me where the ice machine is?
A. It's in what we call the patient kitchen area probably right about where this mark is. (Witness indicates).
Q. Okay. And if you would put -- could you draw an "IM" for me next to that mark just for ice machine?
A. (Witness complies).
Q. All right. What is the machine utilized for on Unit Three South? Obviously, to get ice, but for what purposes on the floor?
A. The ice machine is used if a patient requests a drink; we sometimes get a styrofoam cup with ice in it. If the patient requests to have their pitcher refilled

visitation schedule and so forth in a few minutes. But generally speaking, 5:30 in the morning and in the hours prior, Floor Three South in July 2011, it would have likely been employees and staff at Tuomey that would be moving about the corridors at that time?

A. Yes.

Q. My understanding from Tuomey policies, visitation policies, that were provided to me that general visiting hours are from 6:00 a.m. to 9:00 p.m. daily?

A. Correct.

Q. And is that true for Floor Three South?

A. Normal visiting hours, yes.

Q. All right. And that was true back in July of 2011, or has that changed to the best of your knowledge?

A. No, that policy has not changed that I know of.

Q. All right. Do you recall if there were any visitors after normal visiting hours into the early morning hours and morning hours on this particular day?

A. Honestly, no, I cannot remember.

Q. That would have been unusual, though, if someone was visiting and staying the night on that unit?

A. No.

Q. That would not be unusual?

A. No, that would not be unusual.

Q. But you don't have any recollection of people doing

amount and the character and quality as described to you by Ms. Wilson that night on the floor in that area next to the nurse's desk, do you believe that water would likely have been there from, say, back when the visitors period ended at 9:00 p.m. the night before, do you believe it was there for eight and a half hours before the fall?

A. No.

Q. So, you would agree then, because it was only Tuomey staff members that were frequenting the corridors and hallways from roughly 9:00 p.m. the night before until 5:30 a.m. when the fall occurred, that how ever that water got there, it was likely created or delivered there as a result of some action of a Tuomey staff member?

MR. HOLLER: Object to form.

Q. You can answer the best you can.

MR. HOLLER: Just ignore me.

A. It is possible that somehow and some mechanism, somebody did something that created the water to be there at the time.

Q. Is it more likely that someone was a staff member working at Tuomey there from some time after 9:00 p.m. the night before until 5:30 a.m. or is it more likely that it was a visitor prior to 9:00 p.m.?

MR. HOLLER: Object to form.

A. It is more likely that it would have been a staff member.

Q. You agree that water on the floor in this area -- or let me back up. Water in the amount that was described by Ms. Wilson to you on the floor in that area near the Nurses' Station on Three South that day, do you believe it would have been readily observable to somebody walking up and down the corridor caring for patients?

A. No.

Q. Do you believe it would have been an open and obvious danger so that they should have seen it before they encountered it?

A. No.

Q. In light of the policy for Tuomey staff members to immediately clean up some sort of spill, liquid substance on the floor upon immediate discovery, do you agree that water on one of those hospital corridors can be a dangerous condition?

A. Yes.

Q. Do you know who Ms. Mary Yates is?

A. Yes.

Q. And who is she?

A. She is basically like a Risk Management type person.

and use that to fill with ice and then place on the cart.

Q. Okay. And then they'll use those containers, whether it be the bag or the pitcher, to move the cart about the unit and provide water for the patients?

A. Yes. They move the cart about providing the ice to the patients.

Q. And when is it in the early morning hours that the techs usually begin this process of loading up the cart with ice and water and moving it about the unit?

A. Typically, just before 4:00 or just after 4:00 a.m.

Q. So, that time frame, would it be roughly an hour, hour and a half prior to Dr. Myat's fall?

A. By that time frame, yes.

Q. You mentioned earlier that Unit Three South often has a significant number of dialysis patients?

A. Yes.

Q. And I presume they utilize dialysis machines on the unit?

A. Occasionally, they do. Not as frequently, depending on the type of infection the patient has.

Q. Okay. But there would be some occasions where dialysis machines would be moved about Unit Three South to treat those patients with those needs?

A. Yes.

EXHIBIT E

TUOMEY
HEALTHCARE SYSTEM

December 7, 2009

RE: Medical Director Agreement for Infection Control and Epidemiology between Tuomey Healthcare System and Win Myat, M.D. expiring on July 31, 2010

Dear Dr. Myat:

Please permit this letter to extend the term of the Agreement through July 31, 2011, and then the Agreement shall automatically renew for successive one year terms unless either party provides at least sixty (60) days written notice of nonrenewal. All other terms and conditions of the Agreement shall remain the same.

Sincerely,

Jay Cox
President and CEO

AGREED:

12/16/09

Win Myat, M.D.

PLAINTIFF'S EXHIBIT
E

129 North Washington Street Sumter, South Carolina 29150
TEL: (803)774-9000 WEB: www.tuomey.com

MEDICAL DIRECTOR SERVICES AGREEMENT FOR INFECTION CONTROL AND EPIDEMIOLOGY DEPARTMENT

NOTICE REQUIRED BY SECTION 15-48-10 OF THE SOUTH CAROLINA CODE OF LAWS, 1976, IS HEREBY GIVEN THAT THE FOLLOWING AGREEMENT IS SUBJECT TO ARBITRATION.

THIS AGREEMENT, entered into to be effective as of August 1, 2008 (the "Effective Date"), by and between Tuomey d/b/a Tuomey Healthcare System ("Hospital"), and Win Myat, M.D. ("Contractor").

INTRODUCTION

Hospital is the owner and operator of an acute care hospital in Sumter, South Carolina. The Hospital provides services to patients in the Hospital's service area in the Hospital's infection control and epidemiology department (the "Department"). Hospital requires the services of a competent and qualified physician to serve as the medical director for the Department (the "Medical Director"). Contractor is a licensed physician in the State of South Carolina and desires to serve as Medical Director using the facilities in the Department, upon the terms and conditions set forth in this Agreement.

Both parties agree that it is in the best interest of high quality patient care and for the efficient delivery of health care at the Hospital at reasonable cost, that a contract of this type be entered into by Hospital and the Contractor in which the Contractor performs the duties of a Medical Director for the Services at the Hospital.

The engagement of Contractor to be the Medical Director will: (a) facilitate the administration within the Department; (b) facilitate the supervision and training of Department personnel and the interrelationships between the Department and other departments of the Hospital; (c) afford effective selection, maintenance and utilization of the Department's services; (d) assure consistency of service, quality control and improve the safety of patients; (e) provide for prompt availability of Contractor's specialty services; (f) allow the needs of the Department's patients to be met effectively and efficiently at reasonable and fair cost; (g) provide for the availability of Contractor for consultation with other physicians; (h) facilitate the development and coordination of Department services for Hospital; and (i) provide consistency with customary patterns for the administration of the Department and promote the ability of the Hospital to deliver high quality care efficiently, effectively and at a fair and reasonable cost.

AGREEMENT

In consideration of the foregoing premises, and the mutual promises, covenants, agreements and understandings contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Hospital and Contractor, the parties, intending to be legally bound, agree as follows:

SECTION ONE.
RESPONSIBILITIES, DUTIES AND REPRESENTATIONS OF CONTRACTOR

1.1 Appointment of Director. Hospital hereby engages Contractor to serve as the Medical Director. Contractor hereby agrees to serve as the Medical Director in accordance with the terms of this Agreement.

1.2 Qualifications of Contractor. Contractor shall obtain and maintain the following minimum qualifications:

1.2.1 A license to practice medicine in the State of South Carolina.

1.2.2 Membership in good standing on the Hospital's Medical Staff.

1.2.3 Contractor shall be Board certified, or be Board eligible, as required by, and consistent with the terms of, the Hospital's Medical Staff Bylaws, and shall maintain up to date training as required by the Hospital and the applicable certification Board. Without limiting the generality of the foregoing, Contractor must be Board certified or Board eligible in Infectious Diseases.

1.2.4 A current narcotics registration/permit issued by the appropriate governmental agency.

1.2.5 Eligibility to participate in the governmental healthcare programs, including, without limitation, Medicare and Medicaid programs.

1.3 Professional Duties. Contractor shall assume the professional duties set forth in Exhibit A, attached to this Agreement and incorporated herein by reference, during the term of this Agreement. Notwithstanding any specific provision to the contrary, nothing in this Agreement shall be construed to govern Contractor's professional healthcare services to Hospital's patients.

1.4 Continuing Professional Education. Contractor shall conscientiously participate in programs of formal and informal continuing medical education as necessary to maintain Contractor's training in his specialty area.

1.5 Confidential Business Information. Contractor acknowledges that business information developed, acquired or retained by the Hospital is of substantial value and that its value may be destroyed by the disclosure of such information to anyone outside the employ of the Hospital. Accordingly, Contractor hereby agrees that he or she will not, without the express written consent of a duly authorized officer of the Hospital, disclose directly or indirectly any confidential business information for the benefit of anyone other than the Hospital, members of the Hospital's medical staff, state licensing boards, the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") or third party reimbursement agencies and professional organizations. The term "confidential business information" as used herein means all information of the Hospital of a business or technical nature, including but not limited to, patient and hospital lists, information relating to processes, plans, methods of doing business and special

needs of referring doctors, hospitals and patients, disclosed to, learned or developed by Contractor in the course of his or her performance of Contractor's obligations hereunder or any such information previously known which relates to the Hospital. The term "confidential business information" shall also include all information of any type, which directly or indirectly relates to peer review, utilization review, quality assurance and risk management activities. In addition, and notwithstanding the above, the confidentiality provisions contained in this Section 1.5 shall not apply to any information that (i) becomes generally available to the public other than as a result of disclosure by Contractor, (ii) Contractor is required to disclose to a governmental entity, (iii) Contractor is required to disclose such confidential business information pursuant to valid legal process; provided however, that Contractor shall immediately notify the Hospital if he or she receives such process to allow the Hospital to assert any available privileges or objections prior to Contractor responding to such legal process, or (iv) Contractor is required to disclose such confidential business information under an applicable statute or regulation.

1.6 Exclusive Services. Hospital hereby grants Contractor the exclusive right to serve as the Medical Director while this Agreement is in effect. Contractor shall devote such practice time to the Department and Hospital as necessary to provide the services required by this Agreement and to encourage the appropriate use of the Department's services within the Hospital. Contractor shall not provide medical director services to any health care facility that competes with the Hospital without Hospital's prior written consent while this Agreement is in effect.

1.7 Hours of Service. Contractor shall provide services as the Medical Director in the Department for a minimum of eighteen (18) and a maximum of thirty (30) hours per month. Hospital and Contractor estimate that this amount of time will be required to fulfill the duties required by this Agreement and understand that the time required may vary month to month. Contractor shall submit complete and accurate time allocation summaries, documenting all time spent in providing Medical Director services pursuant to this Agreement. Such time allocation summaries shall be submitted in intervals and on such forms as the Hospital may reasonably require, an example of which is set forth in Exhibit C.

1.8 Compliance with Hospital and Department Requirements. Contractor shall provide services under this Agreement in compliance with the policies, rules and regulations of the Hospital and the Department, including without limitation JCAHO requirements and the Hospital's corporate compliance plan as may be amended from time to time. Contractor shall cooperate with any request by Hospital to investigate and resolve any compliance issue.

1.9 Health Status. The parties acknowledge that, during the term and any renewal terms of this Agreement, Contractor must be able to appropriately and safely perform his duties hereunder. Contractor shall be responsible for apprising the Hospital of health factors that may affect Contractor's performance of his professional and/or administrative duties under this Agreement, including health factors potentially affecting the health, safety or welfare of patients, physicians or others. The Hospital, in accordance with applicable laws and consistent with Hospital policies and procedures, shall from time to time be entitled to make reasonable

inquiries and require appropriate health screenings, both mental and physical, and testing concerning Contractor's health status and ability to perform his duties.

1.10 Representation of Contractor. Contractor has not relied upon or been induced by any representation or statement by any representative of the Hospital which is not set forth in this Agreement.

SECTION TWO.
DUTIES OF HOSPITAL

2.1 Hospital Facilities. Hospital shall provide and make available for the use of Contractor to provide the Medical Director services under this Agreement, the following Hospital facilities and services while this Agreement is in effect:

2.1.1 Space and facilities as may be necessary for the proper and efficient performance and conduct of the duties of the Medical Director as determined by Hospital's Chief Executive Officer (the "CEO") or his designee.

2.1.2 Furniture, files, office equipment, instruments and any and all other items as may be necessary for the proper and efficient performance and conduct of the duties of the Medical Director as determined by the CEO or his designee.

2.1.3 All necessary supplies, such as chemicals, paper, stationery, glassware and similar items as may be necessary for the proper and efficient performance and conduct of the duties of the Medical Director as determined by the CEO or his designee.

2.1.4 Adequate technical, secretarial and clerical assistance as may be necessary for the proper and efficient performance and conduct of the duties of the Medical Director as determined by the CEO or his designee.

2.2 Medical Equipment. Hospital shall furnish, at its expense for the use of the Medical Director, all medical equipment necessary for the proper operation and conduct of the Department as determined by the CEO or his designee. Contractor shall notify Hospital if any medical equipment is defective or in need of repair.

2.3 Hospital Services. Hospital shall furnish ordinary janitor and in-house service, laundry, gas, water, heat and such electricity for light and power as may be necessary for the proper and efficient performance of the Department as determined by the CEO or his designee. Hospital shall also provide such other Hospital services as personnel, administration, accounting, engineering, purchasing and medical records as may be necessary for the proper and efficient performance of the Department as determined by the CEO or his designee.

2.4 Compensation. Hospital agrees to compensate Contractor for the services provided by Contractor under this Agreement in accordance with Section 4 below.

2.5 Use of Hospital Facilities, Equipment and Services. Contractor agrees that the Hospital facilities, equipment and services provided by Hospital under this Agreement are to be used solely by Contractor to provide the Medical Director services contemplated by this Agreement and shall not be used by Contractor for any other personal or business reason without the prior written consent of Hospital.

SECTION THREE. RELATIONSHIPS

3.1 Status of Contractor. It is expressly acknowledged and understood by the parties that the Contractor is an "independent contractor", and that nothing in this Agreement is intended to, or shall be construed to, create an employee/employer relationship, a joint venture relationship, a partnership, or a landlord/tenant relationship, or to allow Hospital to have control or direction over the manner or method of Contractor's performance of the services required hereunder, provided always that the performance of services hereunder shall at all times be in accordance with the law and with the terms and conditions of this Agreement. Contractor acknowledges that Contractor shall not be treated as an employee of Hospital for tax purposes or for purposes of Workers' Compensation coverage, and that Hospital is not responsible for any required withholdings or for the payment of any benefits to Contractor. Further, in the event the Internal Revenue Service or any other governmental entity should deem Contractor to be an employee of Hospital and require Hospital to make payments on behalf of Contractor, then Contractor shall indemnify Hospital for and against any such payments, penalties or interest paid by Hospital. Subject to Section 1.6, Contractor is not barred from establishing staff privileges at, providing services in, or making referrals to any other facility chosen by Contractor.

3.2 Personnel. All Department personnel will be employees of Hospital in accordance with the following:

3.2.1 All personnel required for the proper operation of the Department shall be employed and paid by Hospital consistent with currently applicable budgeted positions, Hospital rules, regulations, policies, and salary structure.

3.2.2 Decisions respecting salaries of Department personnel shall be the responsibility of Hospital. Contractor shall give such instruction and supervision of the Department personnel as is necessary to meet the needs of the Department and its patients.

SECTION FOUR. COMPENSATION

4.1 Compensation. For services rendered hereunder, Hospital shall compensate Contractor as provided for in Exhibit B, attached to this Agreement and incorporated herein by reference. The parties acknowledge and agree that no compensation or remuneration shall be exchanged related in any way to the volume or value of patient referrals.

4.2 Set Off. In the event of any breach or partial performance by Contractor of the provisions set forth in this Agreement, in addition to the other rights, remedies, or

damages to which the Hospital may be entitled, the Hospital shall be entitled to set off the amounts to which the Hospital may become entitled hereunder against payments, if any, becoming due to Contractor as a result of any employment or similar relationship between Contractor and the Hospital. This Section 4.2 shall survive the termination of this Agreement.

SECTION FIVE.
TERM & TERMINATION

5.1 Term. The term of this Agreement shall be for one (1) year commencing on August 1, 2008 and expiring at midnight on July 31, 2009. The term of this Agreement shall thereafter be renewed automatically for one (1) additional year, unless notice of intent not to renew is given by either party to the other at least sixty (60) days prior to the expiration of the applicable term. Thereafter, this Agreement may be renewed upon the mutual written agreement of the parties.

5.2 Termination With Notice. Either party has the right to terminate this Agreement with or without cause, at any time, upon ninety (90) days prior written notice to the other party; however, if this Agreement is terminated without cause, the parties may not enter into another agreement for the provision of Medical Director services until the first anniversary of the Effective Date. The notice period may be shortened or eliminated by mutual written consent of both parties.

5.3 Termination by Hospital. Hospital shall have the right to terminate this Agreement immediately, under any of the following circumstances:

5.3.1 Breach of the terms of this Agreement by Contractor, which breach is not corrected by Contractor within thirty (30) days after written notice thereof, by certified or registered mail, return receipt requested, is given to Contractor by Hospital;

5.3.2 Professional misconduct of Contractor as determined in a decision of the Medical Staff Executive Committee of the Hospital as provided in its Medical Staff Bylaws which would make the Contractor's presence in the Hospital detrimental to the interest of Hospital, its patients or the Medical Staff;

5.3.3 Contractor is convicted of a crime involving moral turpitude;

5.3.4 Contractor ceases to be a member in good standing of the Hospital's medical staff based upon an adverse recommendation to limit, suspend, or revoke Contractor's clinical privileges or medical staff membership at the Hospital;

5.3.5 Contractor's license to practice medicine is limited, suspended, denied or revoked in the State of South Carolina or any other state in which Contractor is licensed to practice medicine;

5.3.6 Gross or culpable professional negligence by Contractor;

5.3.7 Neglect of duty or violation of Hospital Policies, Rules or Regulations, by Contractor, including, but not limited to, a violation of the Hospital's disruptive physician policy;

5.3.8 Contractor is subject to civil monetary penalties by, or suspended or excluded from participation in, any federal health program, including without limitation Medicare, Medicaid or Champus; or

5.3.9 The inability of Contractor to fulfill the provisions and obligations of the Agreement for any reason.

5.3.10 Contractor violates any provision of Hospital's compliance program or a related policy or procedure or refuses to participate in good faith in training contractors as part of the compliance program.

5.3.11 Contractor fails to accurately and timely complete time allocation summaries as required by Section 1.7 of this Agreement.

5.4 Contractor's Right to Terminate for Cause. Contractor shall have the right to terminate this Agreement immediately under any of the following circumstances:

5.4.1 Loss by Hospital of its license to operate the Hospital by the South Carolina Department of Health and Environmental Control.

5.4.2 Breach of the terms of this Agreement by Hospital, which breach is not corrected by Hospital within thirty (30) days after written notice thereof, by certified or registered mail, return receipt requested, is given to Hospital by Contractor.

5.5 Termination for Regulatory Compliance. This Agreement may also be terminated as provided in Section 6.3 below. Upon any such termination, the parties shall be relieved and discharged from all liability under this Agreement occurring or accruing following termination.

5.6 Effect of Termination. Upon termination of this Agreement by either party for any reason, Hospital shall have no further obligation or liability hereunder to pay or provide compensation, benefits, or any other amounts for any person after the date of such termination. Hospital shall pay Contractor any compensation due to Contractor for the month preceding termination only after Contractor completes and submits time allocation summaries as required by Section 1.7 of this Agreement. Nothing in this Section 5.6 shall be construed to limit any rights or remedies which Hospital may have upon a breach of or default under this Agreement by Contractor or which Contractor may have upon a breach of or default under this Agreement by Hospital; provided, however, Contractor shall not be entitled to any compensation except for that contemplated by this Section 5.6.

SECTION SIX
MISCELLANEOUS

6.1 Rights in Property. All title to supplies, fiscal records, charts, equipment and furnishings of the Department shall remain the sole property of Hospital.

6.2 Outside Activities. Subject to Section 1.6, nothing in this Agreement shall prevent Contractor from engaging in the practice of medicine, teaching, lecturing, and writing outside the Department or the Hospital, provided that Contractor continues to meet his obligations under this Agreement.

6.3 Regulatory Compliance. In the event that this Agreement or any part of this Agreement is deemed to be contrary to local, state or federal law by counsel for Hospital or, in the opinion of such counsel, presents substantial legal risk to either party, the parties agree to use their best efforts to make changes to the Agreement to the minimum extent necessary to make the Agreement consistent with applicable laws, and to try to retain as closely as possible the original terms reflected in this Agreement. If the Agreement cannot be modified or amended in a way that is mutually agreeable to the parties and to comply with applicable law after the parties have used their best efforts, then either party may terminate the Agreement upon written notice to the other party.

The parties expressly acknowledge that it has been and continues to be their intent to comply with all federal, state, and local laws and regulations. It is not the purpose, nor is it a requirement of this Agreement or of any other agreement between the parties to offer or receive any remuneration or inducement to encourage the referral of any patient.

Contractor represents and warrants to the Hospital that Contractor, nor any of Contractor's employees or independent contractors have been convicted of a criminal offense related to healthcare or listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in a federally funded healthcare program. It shall be a continuing obligation of Contractor under this Agreement to notify the Hospital of any change related to the representation and warranty contained in this Section.

Contractor further agrees to protect to the fullest extent required by law the confidentiality of any patient information generated or received in connection with the performance of services hereunder, including without limitation the privacy requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Contractor specifically acknowledges that in receiving, storing, processing, or otherwise handling records of Hospital patients, Contractor may be bound by federal laws governing addictive disease patients, including 42 C.F.R. Part 2. Contractor agrees to promptly notify Hospital if Contractor receives any request for any patient information protected hereunder. Contractor agrees, if necessary, to assist in judicial proceedings any efforts to obtain access to patient records except as permitted by law. This Section 6.3 and Contractor's obligation to maintain the confidentiality of Hospital patient information shall survive termination of this Agreement.

6.4 Insurance. Contractor shall maintain, or cause to be maintained, Professional Liability Insurance, with coverage in the amounts of not less than one million

dollars ($1,000,000) per person per occurrence and three million ($3,000,000) annual aggregate, either (a) through the South Carolina Joint Underwriting Association and the South Carolina Patient Compensation fund; or (b) with an insurance company licensed in the State of South Carolina with a minimum AM Best Rating of A, during the term of this Agreement. A copy of the applicable policies and certificate of insurance meeting the above requirements shall be provided to the Hospital by Contractor and shall contain the statement that the coverages will not be altered, reduced or cancelled without 60 days prior written notice to the Hospital.

If such professional liability policy is maintained on a "claims-made" basis, such insurance shall continue through the term of this Agreement; and upon the termination of the Agreement, or the expiration or cancellation of the insurance, Contractor shall purchase at his own expense, or arrange for the purchase of either (i) an extended reporting endorsement ("Tail Coverage") for the maximum period that may be purchased from insurer, (ii) "Prior Acts" coverage from the new insurer with a retroactive date on or prior to the date contractor began performing services at Hospital; or (iii) maintain continuous coverage with the same carrier for the period of the statute of limitations for personal injury. All such insurance shall be kept and maintained without cost or expense to Hospital. In the event that Contractor does not purchase the required coverage, Hospital, in addition to any other rights it may have under the terms of the Agreement or under law, shall be entitled, but not obligated to, purchase such coverage. Hospital shall be entitled to immediate reimbursement from Contractor for the cost thereof. Hospital may enforce its right of reimbursement through set-off against any sums otherwise payable to Contractor who failed to maintain the required coverage.

6.5 Notices. All notices, requests, demands, or other communications authorized or required to be given by any party pursuant to this Agreement shall be given in writing and either (a) delivered personally; (b) sent by overnight express delivery (for which written confirmation of delivery can be obtained from the carrier); or (c) sent by registered or certified U.S. mail, return receipt requested to the notice address designated on the signature page of this Agreement. The parties shall be responsible for notifying each other promptly in writing of any change of address.

6.6 Modification and Changes. This Agreement cannot be changed or modified, except by another agreement in writing executed by the parties to this Agreement.

6.7 Assignment. Contractor may not assign or delegate any of his rights or obligations hereunder without first obtaining the written consent of Hospital. Hospital may assign or transfer its rights or obligations hereunder to any entity controlled by or under the common control of Hospital, or any entity subsequently created to control or operate all or substantially all of the assets of Hospital's facilities, provided that in that event, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all of the obligations of Hospital hereunder.

6.8 Headings. The headings of the various sections of this Agreement are inserted merely for the purpose of convenience and do not expressly or by implication limit or define or extend the specific terms of the section so designated.

6.9 Governing Law. This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of South Carolina.

6.10 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto and may not be modified without the written agreement of all parties and a fully executed copy shall be deemed an original for all purposes.

6.11 Waiver. No failure to require strict compliance with any of the terms or provisions of this Agreement shall affect a party's right thereafter to require strict compliance with the same or any other term or provision of the Agreement.

6.12 Access to Books and Records. Upon written request of the United States Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the parties will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available up to five (5) years after the rendering of such services. If, after receiving Hospital's written consent as required by Section 6.6 of this Agreement, Contractor carries out any of the duties of this Agreement through a subcontract with a value of $10,000 or more over a twelve (12) month period with a related individual or organization, the parties agree to include this requirements of Public Law 96-499, Sec. 952 (Sec. 1861 (v) (1) of the Social Security Act) and the regulation promulgated thereunder. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by Hospital or Contractor by virtue of this Agreement.

6.13 Indemnification. Each party shall be responsible for its own acts and omissions and shall not be responsible for the acts and omissions of the other. Therefore, each party to this Agreement hereby agrees to indemnify, hold harmless and defend the other party from and against any claim, action, suit, right, damage, loss, expense, or cost (including, but not limited to, reasonable attorneys' fees and court costs) arising out of an act, or omission to act, on the part of the indemnifying party, its agents, or employees pursuant to this Agreement. This agreement to indemnify and hold harmless the other party shall apply to both third-party claims and second-party claims, including, but not limited to, claims, actions, damages, losses, expenses, or costs (including, but not limited to, reasonable attorneys' fees and court costs) incurred by one party to this Agreement as a result of an act, or omission to act, on the part of the other party, its agents, or employees pursuant to this Agreement, provided, however, Hospital shall not indemnify Contractor for any third party claims that arise as a result of acts or omissions of Contractor and Hospital's indemnification of Contractor is subject to the limitations set forth in the South Carolina Tort Claims Act, S.C. Code Section 33-56-180, and/or the South Carolina Charitable Contributions Act, S.C. Code Section 15-78-120. Contractor's duty to indemnify Hospital under this Section 6.13 shall include, but not be limited to, any claims, actions, liability or expense based on the assertion that Hospital has a nondelegable duty or is otherwise responsible for the acts of the Contractor.

6.14 Dispute Resolution. In the event of any controversy or claim arising out of or relating to this Agreement, including any and all claims of Contractor arising out of the Contractor's engagement hereunder, whether such claim or controversy is brought in tort, contrast or otherwise, or the breach, termination or validity of this Agreement, the parties will

attempt in good faith to resolve such controversy or claim. If the matter has not been resolved within sixty (60) days of the commencement of such discussions (which period may be extended by mutual agreement), then the parties hereby agree to immediately submit the controversy to binding arbitration. The arbitration shall be conducted by a single arbiter in accordance with the American Health Lawyers Association Alternative Dispute Resolution Rules of Procedure for Arbitration. Any court having jurisdiction thereof may enter judgment upon the award rendered by the arbitrator. Each party shall bear its share of the expenses and attorneys' fees incurred in the arbitration and any action to enforce the arbitration award as determined by the arbitrator. The place of arbitration shall be Sumter, South Carolina.

6.15 Severability. If any term, covenant, or condition of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Agreement and the application of any term or provision to person or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and all other terms shall be valid and enforceable to the fullest extent permitted by law.

6.16 Termination of Prior Medical Director Agreements. Any and all prior agreements between the parties for the Medical Director services contemplated by this Agreement are hereby terminated as of the effective date of this Agreement and shall be of no further force and effect.

6.17 Third Party Beneficiaries. This Agreement is intended solely for the benefit of the parties hereto and not for the benefit of any other person or entity.

SECTION SEVEN.
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

In order to ensure the privacy and security of individually identifiable health information in compliance with the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. §1320d through 1320d-8 ("HIPAA") and all regulations promulgated under HIPAA, the parties will execute the Business Associate Agreement attached as Exhibit D.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first written above.

Notice Address:

129 N. Washington Street
Sumter, South Carolina 29150

TUOMEY d/b/a TUOMEY HEALTHCARE SYSTEM:

By: _____
Jay Cox
Its: Chief Executive Officer

CONTRACTOR:

_____ 8/1/08

620 Mattison Avenue
Sumter, SC 29150
SSN: 591-94-4225

Win Myat, M.D

EXHIBIT A

Medical Director Duties

1. Advance and maintain infection control and epidemiology program according to hospital policies, procedures, and objectives.

2. Establish and revise policies for the program based on the most current scientific data so that hospital acquired infections are identified and infection control measures are implemented.

3. Act as an advisor to other areas of the hospital, specifically pharmacy and microbiology, informing them of areas of concern, changes in infection control procedures, or in establishing educational programs for hospital personnel as needed.

4. Work with external organizations, such as skilled nursing facilities and DHEC, to make community aware of possible dangers and reduce the risk of infection.

5. Review data, such as infection control activities (risks, problems, solutions), annually to determine effectiveness of policies.

6. Encourage safe and appropriate use of antibiotics and communicate with attending physicians when intervention is deemed necessary.

7. Attend Pharmacy & Therapeutic (P&T), and Infection Control committee meetings.

8. Communicate and review cases with outside experts in Infectious Disease.

9. Work with the Administrative Director to assure the program meets all applicable JCAHO, federal, state and local regulatory requirements

EXHIBIT B

Compensation

1. Hospital shall pay Contractor an hourly sum of One Hundred and 00/100 Dollars ($100.00). The minimum hours of Medical Director Services during any month shall be eighteen (18) and the maximum shall be thirty (30). The Annual Cap will be three hundred and sixty (360) hours.

2. Before any payment is made to Contractor, the Contractor shall submit signed time allocation summaries to document hours of service as required by Section 1.7.

3. If the Annual Cap is reached, then the parties agree that the Hospital may: (a) terminate this Agreement, b) renegotiate the compensation paid to Contractor by amending this Agreement in a manner consistent with the provisions of Section 6.6, or (c) maintain the Agreement under its current terms and conditions. Such decision shall be made in the sole discretion of the Hospital. In the event the Hospital elects to renegotiate the compensation, the hourly rate set forth herein shall remain in effect irrespective of the Annual Cap until the renegotiation is complete or the Agreement is terminated by the Hospital.

4. The Hospital's payment of compensation shall begin on the first schedule pay cycle following the effective date of this Agreement for hours actually worked during the preceding month. Hospital shall establish a schedule for Contractor at the Hospital. No other benefits, taxes, fees or other cost shall be paid as a result of this Agreement. Hours worked pursuant to this Agreement shall be documented on a monthly time allocation summary, as set forth by way of example in Exhibit C.

EXHIBIT D

1. Definitions. For purposes of this Exhibit D, the following terms shall have the meanings set forth below.

(a) Business Associate. "Business Associate" shall mean the Contractor.

(b) Covered Entity. "Covered Entity" shall mean Tuomey d/b/a Tuomey Healthcare System.

(c) Privacy Standards. "Privacy Standards" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, as may be amended.

(d) Protected Health Information ("PHI"). "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in the Privacy Standards, limited to the information created or received by Business Associate from or on behalf of Covered Entity, and shall include, but not be limited to, Individually Identifiable Health Information, as defined in HIPAA.

(e) Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in the Privacy Standards.

(f) Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

2. Health Information. Business Associate hereby acknowledges that the health information it receives from Covered Entity in the course of providing the Services is PHI.

3. HIPAA Compliance. Both parties to this Agreement shall comply with all applicable federal and state laws regarding the confidentiality and security of PHI, including, but not limited to, the requirements of HIPAA and all regulations promulgated under HIPAA, including, but not limited to, the Privacy Standards, as such regulations become enforceable. Business Associate further agrees not to use or disclose PHI in a manner that, if Covered Entity used or disclosed PHI in such manner, would violate HIPAA or its regulations.

4. Business Associate. Business Associate hereby acknowledges that he is a Business Associate of Covered Entity as described in the Privacy Standards and agrees to the following:

(g) Business Associate agrees not to use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

(h) Except as otherwise limited in this Agreement, Business Associate may use PHI received from Covered Entity, if necessary, for the following purposes:

(i) For the proper management and administration of the Business Associate; or

(ii) To carry out the legal responsibilities of the Business Associate.

(i) Except as otherwise limited in this Agreement, Business Associate may disclose the PHI received from Covered Entity for the purposes set forth in Section 4(b), if:

(i) the disclosure is Required By Law; or

(ii) the Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person and that the person will notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(j) Business Associate agrees to use appropriate safeguards to prevent the use or disclosure of PHI other than as allowed under this Agreement.

(k) Business Associate agrees to document any disclosures of PHI, and any information related to such disclosures, as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of the PHI in accordance with the Privacy Standards.

(l) Business Associate agrees to immediately report to Covered Entity any use or disclosure of the PHI that Business Associate becomes aware of that is not provided for under this Agreement.

(m) Business Associate agrees to ensure that his employees, agents and subcontractors, if any, shall agree to the restrictions and conditions regarding the confidentiality, privacy and security of the PHI set forth in this Agreement; provided, however, that Business Associate shall disclose the minimum necessary PHI to his employees, agents and subcontractors to perform the function required; and provided further however, that Business Associate shall not subcontract any of the services contemplated under the Agreement which would require Business Associate to use or

disclose PHI without the express written consent of the Covered Entity.

(n) Business Associate agrees to allow the subject of the PHI access as required under the Privacy Standards if the PHI is maintained in a "designated record set" as defined in the Privacy Standards.

(o) Business Associate agrees to make PHI available to Covered Entity for amendment and to incorporate any amendments to PHI as required under the Privacy Standards if the PHI is maintained in a "designated record set" as defined in the Privacy Standards.

(p) Business Associate agrees to provide to Covered Entity, at Covered Entity's request, an accounting of the disclosures of the PHI as required under the Privacy Standards.

(q) Business Associate agrees to make the practices, books, and records relating to the use and disclosure of PHI received from Covered Entity available to the Secretary for the purpose of the Secretary determining Covered Entity's compliance with the Privacy Standards.

(r) Termination and Effect of Termination:

(i) Upon Covered Entity's knowledge of a material breach of this Exhibit D by Business Associate, Covered Entity shall either:

(1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(2) Immediately terminate this Agreement if Business Associate has breached a material term of this Exhibit D and cure is not possible; or

(3) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(ii) At the termination of the Agreement for any reason, Business Associate agrees to return or destroy all PHI received from Covered Entity or created by Business Associate to Covered Entity and agrees that no copies of such information are to be retained by Business Associate or its employees, agents and subcontractors, if any. If, however, it is not feasible for Business Associate to return

or destroy all PHI received from Covered Entity or created by Business Associate to Covered Entity, then Business Associate agrees to extend the protections provided under this Agreement to the PHI held by Business Associate and limit the uses and disclosures of such PHI to those purposes that make the return or destruction of the information infeasible.

(iii) Notwithstanding any other provision in this Agreement, Business Associate agrees that Covered Entity shall have the right to immediately terminate the Agreement if Covered Entity, in its sole discretion, determines that Business Associate has breached any material provision in this Exhibit D.

(s) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or by any person to whom Business Associate has disclosed PHI pursuant to Section 4(c) (ii) in violation of the requirements of this Exhibit D.

5. Security Compliance. Business Associate agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Covered Entity's electronic PHI, and will ensure that his agents and subcontractors to whom it provides PHI will do the same. Further, Business Associate agrees to comply with Covered Entity's security policies and procedures. Business Associate also agrees to provide Covered Entity with access to and information concerning Business Associate's security and confidentiality policies, processes, and practices that affect PHI provided to or created by Business Associate pursuant to the Agreement upon reasonable request of the Covered Entity. Covered Entity shall determine if Business Associate's security and confidentiality practices, policies, and processes comply with HIPAA and all regulations promulgated under HIPAA. Additionally, Business Associate will immediately report to Covered Entity any security incident of which it becomes aware.

6. Training. Business Associate agrees to participate in appropriate HIPAA security and privacy training.

7. Indemnification. Business Associate agrees to indemnify and hold Covered Entity harmless from any and all civil liability and costs, including reasonable attorney's fees and expenses, arising from any material breach by Business Associate of any provision of Exhibit D.

8. Liability Limitations/Exclusions Not Applicable. No limitations in or exclusions from liability set forth in the Agreement shall apply to breaches of any of the provisions contained in this Exhibit D.

9. Ownership of Health Information. Business Associate agrees that all PHI related to the Agreement is the exclusive property of the Covered Entity.

10. Response to Service of Process. If Business Associate receives a request to disclose all or any part of the PHI received under the Agreement under the terms of a subpoena or other order issued by a court of competent jurisdiction or by a government agency, Business Associate shall: (i) promptly notify Covered Entity of the existence, terms, and circumstances surrounding such a request; (ii) consult with Covered Entity on the advisability of taking steps to resist or narrow such request; (iii) if disclosure of that PHI is required, furnish only such portion of the PHI as Business Associate is advised by counsel is legally required to be disclosed; and (iv) cooperate with Covered Entity, at Business Associate's expense, in its efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to that portion of the PHI that is required to be disclosed.

11. Remedies. Business Associate acknowledges that if Exhibit D is breached, Covered Entity could not be made whole by monetary damages. Accordingly, Covered Entity, in addition to monetary damages and any other remedy to which it may be entitled by law or in equity, shall be entitled to an injunction to prevent breaches of this Exhibit D, and to an order compelling specific performance of this Exhibit D. Business Associate shall reimburse Covered Entity for all costs and expenses, including reasonable attorneys' fees, incurred by Covered Entity if it successfully enforces the obligations of Business Associate. All rights and remedies of a party hereunder shall be cumulative and in addition to such rights and remedies as may be available to a party at law or equity.

EXHIBIT F

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493224020683

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
TUOMEY

Doing Business As
TUOMEY HEALTHCARE SYSTEM

Number and street (or P O box if mail is not delivered to street address) | Room/suite
129 NORTH WASHINGTON STREET

City or town, state or country, and ZIP + 4
SUMTER, SC 29150

D Employer identification number
57-0343398

E Telephone number
(803) 774-8616

G Gross receipts $ 191,187,040

F Name and address of principal officer
R JAY COX
129 NORTH WASHINGTON STREET
SUMTER, SC 29150

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates 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 TUOMEY COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1914

M State of legal domicile SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATION OF NONPROFIT HEALTHCARE FACILITY IN SUMTER, SC

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,971
6	Total number of volunteers (estimate if necessary)	6	251
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,527,556	0
9	Program service revenue (Part VIII, line 2g)	194,996,473	187,206,374
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,209,230	1,321,613
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,424,136	2,641,431
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	202,157,395	191,169,418
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	41,134	45,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	85,987,062	88,836,640
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶293,293		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	102,940,366	100,689,812
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	188,968,562	189,571,452
19	Revenue less expenses Subtract line 18 from line 12	13,188,833	1,597,966

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	275,718,221	262,910,417
21	Total liabilities (Part X, line 26)	152,177,610	160,056,368
22	Net assets or fund balances Subtract line 21 from line 20	123,540,611	102,854,049

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including acco knowledge and belief, it is true, correct, and complete. Declaration of preparer (othe knowledge.

Sign Here

****** Signature of officer

MARK LOVELL CFO Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ AMY BIBBY | Date

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ DIXON HUGHES GOODMAN LLP
500 RIDGEFIELD COURT
ASHEVILLE, NC 28806

May the IRS discuss this return with the preparer shown above? (see instructio

[redacted]

PLAINTIFF'S EXHIBIT F

tabbies

For Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission

THE MISSION OF TUOMEY HEALTHCARE SYSTEM IS TO PROMOTE GOOD HEALTH AND WELL-BEING AND TO PROVIDE EXCELLENT HEALTHCARE FOR EVERYONE IN SUMTER AND SURROUNDING COUNTIES

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 and section 4947(a)(1) trusts 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 $ 174,584,412 including grants of $) (Revenue $ 187,206,374)

TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS TUOMEY HAS OPERATED ITS FACILITIES IN A MANNER DESCRIBED BY REV RUL 69-545, SUPRA THE BOARD OF TRUSTEES IS COMPRISED OF INDEPENDENT CIVIC LEADERS AN OPEN MEDICAL STAFF IS MAINTAINED BY TUOMEY, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS ALSO, TUOMEY OPERATES A FULL-TIME EMERGENCY ROOM OPEN TO ANYONE WITHOUT THE ABILITY TO PAY AND PROVIDES NON-EMERGENCY MEDICAL SERVICES TO ANYONE WITH THE ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT DURING THE YEAR, TUOMEY PROVIDED 67,628 ADULT PATIENT DAYS, 1,399 BIRTHS, 3,973 NURSERY PATIENT DAYS, 60,243 ER VISITS AND 38,758 OTHER OUTPATIENT VISITS IT ALSO PROVIDED APPROXIMATELY $38 MILLION DOLLARS OF CHARITY CARE

(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** ▶ $ 174,584,412

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38a	Form 990 THS 004 -	

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

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	265		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,971		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
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 or securities account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
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?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
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 and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the 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?	12a			
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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a			
b	Enter the aggregate 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 aggregate 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			

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 to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
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?		2		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?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	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		9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 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

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. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

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SUMTER, SC 29150
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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHALMERS GLENN CHAIRMAN	1 00	X		X				0	0	0
(2) JOHN BRABHAM VICE-CHAIRMAN	1 00	X		X				0	0	0
(3) PHIL PALMER TREASURER	1 00	X		X				0	0	0
(4) MITCH WILLIAMS SECRETARY	1 00	X		X				0	0	0
(5) CYNTHIA REESE MD CHIEF OF MEDICAL STAFF	1 00	X						0	0	0
(6) KIM HARVIN BOARD MEMBER	1 00	X						0	0	0
(7) ANSEL MCFADDIN MD BOARD MEMBER	1 00	X						0	0	0
(8) LEROY CREECH BOARD MEMBER	1 00	X						0	0	0
(9) NICOLE NORRIS BOARD MEMBER	1 00	X						0	0	0
(10) HENRY MOSES MD BOARD MEMBER	1 00	X						0	418,800	34,437
(11) SAMUEL RIDDLE MD BOARD MEMBER	1 00	X						0	275,848	20,975
(12) BEN GRIFFITH BOARD MEMBER	1 00	X						0	0	0
(13) KAY RAFFIELD PHD BOARD MEMBER	1 00	X						0	0	0
(14) R JAY COX CEO/PRESIDENT	40 00	X		X				838,646	0	172,427
(15) J GREGG MARTIN COO/VICE-PRESIDENT	40 00			X				508,955	0	123,042
(16) MARK LOVELL STARTED 412 CFO/VICE-PRESIDENT	40 00			X				0	0	0
GENE F DICKERSON MD MEDICAL AFFAIRS	40 00				X			482,424	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) WILLIAM RENWICK VP	40 00				X			250,095	0	80,534
(19) MICHELLE LOGAN-OWENS VP	40 00				X			189,281	0	32,773
(20) TERESA M CARLTON CNO/VICE-PRESIDENT	40 00				X			204,732	0	39,027
(21) TEXIN LI PHYSICIST	40 00					X		205,786	0	24,019
(22) MICHAEL SAND CRNA	40 00					X		168,947	0	21,683
(23) JUDY LYNN ROBERTS CRNA	40 00					X		188,776	0	33,283
(24) JEFF FAW EXECUTIVE DIRECTOR OF FOUNDATION	40 00					X		194,000	0	28,728
(25) ANTHONY W CABALLERO CRNA	40 00					X		174,856	0	26,282
(26) MIKE WINIARSKI FROM 411 TO 811 CFO/VICE-PRESIDENT	40 00						X	170,551	0	36,517
(27) PAUL JOHNSON THROUGH 411 CFO/VICE-PRESIDENT	40 00						X	179,318	0	43,765
1b Sub-Total ▶								3,756,367	694,648	796,676
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								3,756,367	694,648	796,676

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 39

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
CARDINAL PHARMACY PO BOX 402603 ATLANTA, GA 30384	MEDICAL SERVICES	8,618,855
MIDLANDS EMERGENCY PHYSICIANS PA 129 NORTH WASHINGTON ST SUMTER, SC 29150	MEDICAL SERVICES	6,614,324
AMERICAN RED CROSS PO BOX 905890 LOTTE, NC 28290	MEDICAL SERVICES	1,761,574
REMABCARE GROUP PO BOX 502096 ST LOUIS, MO 63150	MEDICAL SERVICES	1,728,877
GHA TECHNOLOGIES PO BOX 29661 PHOENIX, AZ 85038	MEDICAL SERVICES	1,376,233

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 62

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h Total. Add lines 1a-1f	▶				
Program Service Revenue		Business Code				
	2a NET PROGRAM SERVICE RE	621400	175,950,115	175,950,115		
	b DISPROPORTIONATE SHARE	900099	8,303,631	8,303,631		
	c ANCILLARY SERVICES	900099	2,952,628	2,952,628		
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f	▶	187,206,374			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)	▶	689,140			689,140
	4 Income from investment of tax-exempt bond proceeds	▶	75,653			75,653
	5 Royalties	▶				
		(i) Real	(ii) Personal			
	6a Gross rents	991,014				
	b Less rental expenses	0				
	c Rental income or (loss)	991,014				
	d Net rental income or (loss)	▶	991,014			991,014
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	574,442				
	b Less cost or other basis and sales expenses	0	17,622			
	c Gain or (loss)	574,442	-17,622			
	d Net gain or (loss)	▶	556,820			556,820
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events	▶				
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities	▶				
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory	▶				
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA & VENDING	722210	1,136,830			1,136,830
	b MEDICAL RECORD TRANSC	900099	150,241			150,241
	c AFFILIATE MANAGEMENT	561000	145,575			145,575
	d All other revenue		217,771			217,771
	e Total. Add lines 11a-11d	▶	1,650,417			
	12 Total revenue. See Instructions	▶	191,169,418	187,206,374		3,391,044

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) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	45,000	45,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,956,120	1,478,062	1,478,058	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	375,541	375,541		
7 Other salaries and wages	65,588,259	60,364,020	4,996,704	227,535
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,082,696	2,782,774	289,745	10,177
9 Other employee benefits	11,998,993	10,833,391	1,125,983	39,619
10 Payroll taxes	4,835,031	4,364,621	454,448	15,962
11 Fees for services (non-employees)				
a Management				
b Legal	491,871		491,871	
c Accounting	90,000		90,000	
d Lobbying	105,545		105,545	
e Professional fundraising *See Part IV, line 17*				
f Investment management fees	12,884		12,884	
g Other	17,868,452	16,400,086	1,468,366	
12 Advertising and promotion	547,544	4,352	543,192	
13 Office expenses	14,746,436	13,840,706	905,730	
14 Information technology	1,265,346	1,067,788	197,558	
15 Royalties				
16 Occupancy	2,738,601	2,738,601		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	4,071,559	4,071,559		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,764,669	11,764,669		
23 Insurance	1,233,818	1,233,818		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a MEDICAL SUPPLIES	28,429,000	28,429,000		
b BAD DEBT EXPENSE	9,420,432	9,420,432		
c HOSPITAL TAX	5,369,869	5,369,869		
d LEGAL ISSUES	2,527,983		2,527,983	
e				
f All other expenses	5,803	123	5,680	
25 **Total functional expenses.** Add lines 1 through 24f	189,571,452	174,584,412	14,693,747	293,293
Joint costs. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		9,342,420	1	3,401,695
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		28,876,650	4	30,576,162
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		4,465,863	8	4,708,810
	9	Prepaid expenses and deferred charges		7,145,114	9	7,800,611
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 178,812,791			
	b	Less—accumulated depreciation	10b 86,912,564	86,159,320	10c	91,900,227
	11	Investments—publicly traded securities		100,737,536	11	102,726,941
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		28,991,318	15	21,795,771
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		275,718,221	16	282,910,417
Liabilities	17	Accounts payable and accrued expenses		55,077,581	17	66,531,272
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		95,310,029	20	92,104,822
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		1,790,000	25	1,420,274
	26	**Total liabilities.** Add lines 17 through 25		152,177,610	26	160,056,368
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		118,499,468	27	97,812,906
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets		5,041,143	29	5,041,143
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		123,540,611	33	102,854,049
	34	Total liabilities and net assets/fund balances		275,718,221	34	262,910,417

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	191,169,418
2	Total expenses (must equal Part IX, column (A), line 25)	2	189,571,452
3	Revenue less expenses Subtract line 2 from line 1	3	1,597,966
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	123,540,611
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,284,528
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	102,854,049

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
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?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 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	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
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?	3a		No
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	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

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. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

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 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)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g(i) (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?		
11g(ii) (ii) a family member of a person described in (i) above?		
11g(iii) (iii) a 35% controlled entity of a person described in (i) or (ii) above?		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) 14

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 15

16a **33 1/3% support test—2011.** 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—2010.** If the organization did not check the 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—2011.** 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2010.** 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 IV 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 IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15
16	Public support percentage from 2010 Schedule A, Part III, line 15	16

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2011.** 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—2010.** 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 **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

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

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

Name of the organization	Employer identification number
TUOMEY	57-0343398

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 on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

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

b Was a correction made? ☐ Yes ☐ No

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-

For Privacy Act and Paperwork Reduction Act Notice, see the instructions for Form 990. Cat No 50084S Schedule C (Form 990 or 990-EZ) 2011

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		
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-		

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

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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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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)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		3,450
j	Total lines 1c through 1i			3,450
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE SOUTH CAROLINA HOSPITAL ASSOCIATION (SCHA) THESE ORGANIZATIONS ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERSHIP BODIES, AND EACH YEAR A PORTION OF THE DUES PAID ARE ALLOCATED TO LOBBYING EXPENDITURES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
TUOMEY	57-0343398

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to 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 pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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 and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, 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" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, 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) Revenues included in 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 relating to these items

a Revenues included in 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 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 XIV

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" to 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 XIV and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
a Beginning of year balance	5,523,695	5,647,997	5,341,581	5,157,328	
b Contributions					
c Investment earnings or losses	675,353	-49,302	381,416	259,253	
d Grants or scholarships					
e Other expenditures for facilities and programs	75,000	75,000	75,000	75,000	
f Administrative expenses					
g End of year balance	6,124,048	5,523,695	5,647,997	5,341,581	

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶ 17 680 %
b Permanent endowment ▶ 82 320 %
c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,419,642		9,419,642
b Buildings		44,411,354	14,254,018	30,157,336
c Leasehold improvements		865,925	819,463	46,462
d Equipment		123,816,817	71,839,083	51,977,734
e Other		299,053		299,053
1. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)*				99,900,227

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	21,795,771
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* ▶	21,795,771

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED 3RD PARTY PAYOR SETTLEMENTS	1,420,274
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25.)* ▶	1,420,274

2. Fin 48 (ASC 740) Footnote In Part XIV, 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 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	191,169,418
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	189,571,452
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,597,966
4	Net unrealized gains (losses) on investments	4	3,521,064
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-25,805,592
9	Total adjustments (net) Add lines 4 - 8	9	-22,284,528
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-20,686,562

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

1	Total revenue, gains, and other support per audited financial statements			1	159,565,597
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	3,521,063		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-36,901,227		
e	Add lines 2a through 2d			2e	-33,380,164
3	Subtract line 2e from line 1			3	192,945,761
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-1,776,343		
c	Add lines 4a and 4b			4c	-1,776,343
5	Total Revenue Add lines 3 and 4c (This should equal Form 990, Part I, line 12)			5	191,169,418

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	178,702,319
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	226,502		
e	Add lines 2a through 2d			2e	226,502
3	Subtract line 2e from line 1			3	178,475,817
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	11,095,635		
c	Add lines 4a and 4b			4c	11,095,635
5	Total expenses Add lines 3 and 4c (This should equal Form 990, Part I, line 18)			5	189,571,452

Part XIV Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE EARNINGS OF THE ENDOWMENT FUND ARE DIRECTED TO THE BOARD'S DISCRETION FOR THE PAST FIVE YEARS, THE EARNINGS HAVE BEEN USED TO FUND THE HOSPITAL'S HEALTH REACH PROGRAM
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE MEDICAL CENTER (TUOMEY) IS EXEMPT FROM INCOME TAX UNDER SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE,ACCORDINGLY, THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL AND STATE INCOME TAXES THE SYSTEM HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2012 FISCAL YEARS ENDING ON OR AFTER SEPTEMBER 30, 2009 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN PENSION OBLIGATION -9,832,133 INTERCOMPANY EQUITY TRANSFER -15,204,671 INTERCOMPANY INCOME TRANSFER -768,788 TOTAL TO SCHEDULE D, PART XI, LINE 8 -25,805,592
PART XII, LINE 2D - OTHER ADJUSTMENTS		CHANGE IN NET PENSION OBLIGATION -9,832,133 EXPENSES IN REVENUES -1,675,203 INTERCOMPANY EQUITY TRANSFER -15,204,671 INTERCOMPANY INCOME TRANSFER -768,788 BAD DEBT EXPENSE -9,420,432
PART XII, LINE 4B - OTHER ADJUSTMENTS		TIMOTHY J TUOMEY TRUST REVENUES -1,758,721 GAIN/LOSS ON THE SALE OF ASSETS -17,622
PART XIII, LINE 2D - OTHER ADJUSTMENTS		TIMOTHY J TUOMEY TRUST INVESTMENT EXPENSES 208,880 GAIN/LOSS ON THE SALE OF ASSETS 17,622
PART XIII, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT EXPENSE 9,420,432 EXPENSES IN REVENUES 1,675,203

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SCHEDULE H (n 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals			
	☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			17,508,937	8,314,494	9,194,443	5 100 %
b Medicaid (from Worksheet 3, column a)			27,700,681	25,237,863	2,462,818	1 370 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			45,209,618	33,552,357	11,657,261	6 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			379,052		379,052	0 210 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			32,444		32,444	0 020 %
j Total Other Benefits			411,496		411,496	0 230 %
k Total. Add lines 7d and 7j			45,621,114	33,552,357	12,068,757	6 700 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development	1		45,000		45,000	0 020 %
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	1		728,469		728,469	0 400 %
9	Other						
10	Total	2		773,469		773,469	0 420 %

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	2	9,420,432		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	50,660,057		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	62,746,244		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-12,086,187		

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

☐ Cost accounting system ☑ Cost to charge ratio ☐ 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 (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	TUOMEY REGIONAL MEDICAL CENTER 129 NORTH WASHINGTON ST SUMTER, SC 29150	X	X					X		DISPROPORTIONATE SHARE HOSPITAL

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

TUOMEY REGIONAL MEDICAL CENTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
n conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
ng and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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?	20	Yes	
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	21	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other 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 facilities did the organization operate during the tax year? 2

	Name and address	Type of Facility (Describe)
1	CANCER TREATMENT CENTER 130 N WASHINGTON STREET SUMTER, SC 29150	RADIATION/CHEMOTHERAPY CENTER
2	TUOMEY MEDICAL PARK ALICE DR WESTMONT BLVD SUMTER, SC 29150	OUTPATIENT IMAGING, REHAB, OTHER
3		
4		
5		
6		
7		
8		
9		
10		

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Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments 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

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE ORGANIZATION UTILIZED THE IRS WORKSHEETS TO DETERMINE THE COST TO CHARGE RATIO

0818

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 9420432

0819

Identifier	ReturnReference	Explanation
		PART II ECONOMIC DEVELOPMENT - SUMTER SMARTER GROWTH INITIATIVE IS A SUMTER ECONOMIC DEVELOPMENT DONATION MADE TO ASSIST IN SUMTER DEVELOPMENT BOARD'S EFFORTS AT RECRUITING INSUDTRY, MARKETING THE SUMNTER COMMUNITY AND DEVELOPING SUMTER COUNTY'S INDUSTRIAL DEVELOPMENT PRODUCTS WORKFORCE DEVELOPMENT - TUOMEY WORKS TO RECRUIT PHYSICIANS THAT WILL MEET THE HEALTHCARE NEEDS OF THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART III, LINE 4 ALTHOUGH NOT DESCRIBED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS, THE PRACTICE OF THE HOSPITAL IS TO RECORD BAD DEBT EXPENSE AT THE UNPAID BALANCES, AFTER CONTRACTUAL DISCOUNTS FOR PATIENT'S WITH INSURANCE AND AT THE 70% DISCOUNTED CHARGE LEVEL FOR THOSE WHO DO NOT HAVE INSURANCE THE HOSPITAL NEGOTIATES WITH PAYERS TO COME UP WITH A FAIR DISCOUNTED RATE TO BE PAID FOR SERVICES RENDERED THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBT EXPENSES SIMILARLY FOR PATIENTS WITHOUT ANY INSURANCE, THE HOSPITAL OFFERS SEVERAL DIFFERENT DISCOUNT PROGRAMS, BASED UPON FINANCIAL NEED, TO THESE PATIENTS AND ONCE AGAIN THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBTS FOR PATIENTS WHO DO NOT MEET OR DO NOT FOLLOW-THROUGH TO DEMONSTRATE FINANCIAL HARDSHIP, THE HOSPITAL DOES EXPECT TO BE REIMBURSED AT 70% OF ITS CHARGES ALL OF THE REMAINING BALANCES THAT ARE NOT PAID ARE RECORDED AS BAD DEBTS THE HOSPITAL HAS COSTED THE BAD DEBTS EXPENSE IN LINE 2 OF THIS SECTION AT THE FULL UNPAID CONTRACTED RATE FOR PATIENTS WITH INSURANCE AS THIS REPRESENTS THE "CONTRACTED COST" FOR THE SERVICE AND THUS NOT APPLICABLE TO AN OVERALL COST-TO-CHARGE RATIO FOR PATIENS WITH NO INSURANCE, THE COST ON LINE 2 REPRESENTS THE 70% OF CHARGE FIGURES MULTIPLIED BY THE OVERALL COST-TO-CHARGE RATIO FROM THE AUDITED FINANCIAL STATEMENTS THE CRITERIA THE HOSPITAL USES FOR DISTINGUISHING BETWEEN CHARITY CARE AND BAD DEBT IS THAT IN ORDER FOR A PATIENT TO QUALIFY AS CHARITY CARE, THEY MUST SHARE THEIR FINANCIAL INFORMATION AND SHOW THAT THEY FALL WITHIN THE FEDERAL POVERTY GUIDELINES THUS THE HOSPITAL BELIEVES THAT 50% OF THE FIGURE RECORDED AS BAD DEBT EXPENSE ON LINE 2 WOULD QUALIFY FOR CHARITY CARE IF THE PATIENTS HAD SHARED THEIR FINANCIAL INFORMATION THIS PERCENTAGE WAS DERRIVED FROM DEMOGRAPHIC STUDIES OF THE COMMUNITY FOR FAMILIES FALLING BELOW THE HOSPITAL'S CHARITY CARE GUIDELINES, WHICH ARE BASED ON THE FEDERAL POVERTY GUIDELINES, IN THE MARKET AREA

0821

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ORGANIZATION UTILIZED A COST-TO-CHARGE RATIO IN DETERIMINING THE COSTING FOR THIS SECTION

0822

Identifier	ReturnReference	Explanation
		PART III, LINE 9B ALL SELF PAY PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND ARE GIVEN THE OPPORTUNITY TO COMPLETE THE APPLICATION OTHERWISE PRIOR TO THE PROCEDURE AN ATTEMPT IS MADE TO COLLECT A PORTION OF THE COST OF THE PROCEDURE BASED ON A GOOD FAITH ESTIMATE. AFTER THE PROCEDURE THE HOSPITAL WILL SEND OUT ONE STATEMENT WITH THE AMOUNT OWED BY THE PATIENT. AFTER THIS, THE ACCOUNT IS TURNED OVER TO OUR IN-HOUSE COLLECTIONS DEPARTMENT. THEY CALL THE PATIENT TO DISCUSS PAYMENT TERMS AND OUR FINANCIAL ASSISTANCE PROGRAMS TO TRY AND FIND OUT IF THE PATIENT HAS A 3RD PARTY PAYER. AFTER 120 DAYS THE ACCOUNT IS THEN TURNED OVER TO OUR OUTSIDE 3RD PARTY COLLECTOR. THE COLLECTOR WILL CALL AND SEND STATEMENTS IN AN ATTEMPT TO COLLECT THE FUNDS. AFTER 120 DAYS FROM THIS PLACEMENT, IF THERE HAS BEEN NO ACTIVITY ON THE ACCOUNT, IT IS RETURNED TO THE HOSPITAL

Identifier	ReturnReference	Explanation
TUOMEY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 19D THE ORGANIZATION IS IN THE PROCESS OF ADOPTING A METHOD TO COMPUTE AMOUNTS GENERALLY BILLED THAT WILL BE IN COMPLIANCE WITH REG SEC 1 501(R)-5 WHEN FINAL GUIDANCE IS RELEASED

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 TUOMEY PROCURES AN ANNUAL ASSESSMENT IN REGARDS TO DETERMINING THE PHYSICIAN NEEDS OF THE SUMTER COMMUNITY THE ANNUAL ASSESSMENT WAS PERFORMED IN 2012 BY AMERIMED CONSULTING TUOMEY PARTICIPATED IN THE DEVELOPMENT OF THE MEDICAL STAFF DEVELOPMENT PLAN BASED ON THE HEALTHCARE NEEDS OF ITS MEDICAL SERVICE AREA TUOMEY STRIVES TO MAKE IT UNNECESSARY AND UNREASONABLE FOR ANYONE TO GO OUTSIDE OF THE COMMUNITY TO OBTAIN HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A QUALITY, COST EFFECTIVE MANNER

Identifier	ReturnReference	Explanation
		PART VI, LINE 3. PER TUOMEY POLICY, PUBLIC NOTICE OF THE AVAILABILITY OF ASSISTANCE IS PROVIDED THROUGH THE POSTING OF NOTICES IN LOCATIONS OF HIGH VOLUME SUCH AS INPATIENT/OUTPATIENT ADMITTING/REGISTRATION, ER, BILLING OFFICES, ADMITTING OFFICES AND HOSPITAL OUTPATIENT SERVICE SETTINGS. IN ADDITION, NOTICE OF THE AVAILABILITY OF ASSISTANCE AND CONTACT INFORMATION IS LOCATED ON THE HOSPITAL WEBSITE. PATIENT LIABILITY STATEMENTS SENT TO PATIENTS ALSO INCLUDE LANGUAGE INDICATING THE PATIENT MAY BE ELIGIBLE FOR ASSISTANCE IF THEY MEET CERTAIN INCOME REQUIREMENTS.

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 SUMTER COUNTY IS HOME TO 107,456 RESIDENTS, WITH 18 3% OF THESE RESIDENTS AT OR BELOW THE POVERTY LEVEL SUMTER'S RACIAL DEMOGRAPHICS ARE COMPRISED OF 49 4% WHITE, 47 0% AFRICAN-AMERICAN, 1 2% ASIAN, AND 4 6% OTHER THE AVERAGE INCOME FOR A SUMTER HOUSEHOLD IS $29,915 CURRENTLY, SUMTER'S UNEMPLOYMENT RATE EQUALS 10 2% SUMTER HAS A MILITARY BASE WHICH HOUSES U S AIR FORCE AND U S ARMY TROOPS

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS THE ORGANIZATION UTILIZES SURPLUS FUNDS TO MAKE IT NOT ONLY UNNECESSARY, BUT UNREASONABLE FOR ANYONE TO GO ELSEWHERE FOR HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A HIGH-QUALITY, COST-EFFECTIVE MANNER A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA AND ARE NOT EMPLOYEES, FAMILY MEMBERS OF EMPLOYEES, OR CONTRACTORS OF THE ORGANIZATION TUOMEY EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL LOCAL PHYSICIANS IN MOST OF OUR DEPARTMENTS

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART V.I, LINE 7	SC

0829

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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 Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SUMTER SMARTER GROWTH INITIATIVE32 EAST CALHOUN SUMTER,SC 29150	26-4385624	501(C)(3)	45,000				TO BRING JOBS AND CAPITAL INVESTMENT TO SUMTER COUNTY

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

3 Enter total number of other organizations listed in the line 1 table . . . ▶

0830

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation

0831

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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" to Form 990, Part IV, question 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax idemnification and gross-up payments		
	☐ Discretionary spending account		
	☑ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☐ Health or social club dues or initiation fees		
	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain		No
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		No
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☑ Compensation committee		
	☑ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☐ Compensation survey or study		
	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

rivacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 Cat No 50053T Schedule J (Form 990) 2011

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in 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, columns (D) and (E) for that individual

(A) Name		(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 reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) HENRY MOSES MD	(i)	0	0	0	0	0	0	0
	(ii)	277,848	0	140,952	22,000	12,437	453,237	0
(2) SAMUEL RIDDLE MD	(i)	0	0	0	0	0	0	0
	(ii)	224,486	0	51,362	16,498	4,477	296,823	0
(3) R JAY COX	(i)	541,415	167,003	130,228	156,631	15,796	1,011,073	0
	(ii)	0	0	0	0	0	0	0
(4) J GREGG MARTIN	(i)	333,414	77,125	98,416	116,681	6,361	631,997	0
	(ii)	0	0	0	0	0	0	0
(5) GENE F DICKERSON MD	(i)	325,348	75,268	81,808	77,901	1,283	561,608	0
	(ii)	0	0	0	0	0	0	0
(6) WILLIAM RENWICK	(i)	170,158	26,153	53,784	80,534	0	330,629	0
	(ii)	0	0	0	0	0	0	0
(7) MICHELLE LOGAN-OWENS	(i)	164,507	23,561	1,213	32,773	0	222,054	0
	(ii)	0	0	0	0	0	0	0
(8) TERESA M CARLTON	(i)	164,507	23,561	16,664	23,231	15,796	243,759	0
	(ii)	0	0	0	0	0	0	0
(9) TEXIN LI	(i)	205,586	200	0	8,223	15,796	229,805	0
	(ii)	0	0	0	0	0	0	0
(10) MICHAEL SAND	(i)	147,881	200	20,866	10,400	11,283	190,630	0
	(ii)	0	0	0	0	0	0	0
(11) JUDY LYNN ROBERTS	(i)	188,576	200	0	22,000	11,283	222,059	0
	(ii)	0	0	0	0	0	0	0
(12) JEFF FAW	(i)	180,000	13,834	166	12,932	15,796	222,728	0
	(ii)	0	0	0	0	0	0	0
(13) ANTHONY W CABALLERO	(i)	136,669	200	37,987	10,486	15,796	201,138	0
	(ii)	0	0	0	0	0	0	0
(14) MIKE WINIARSKI FROM 411 TO 811	(i)	114,561	0	55,990	33,337	3,180	207,068	0
	(ii)	0	0	0	0	0	0	0
(15) PAUL JOHNSON THROUGH 411	(i)	96,671	0	82,647	38,500	5,265	223,083	0
	(ii)	0	0	0	0	0	0	0

0833

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	MIKE WINIARSKI RECEIVED AN HOUSING ALLOWANCE OF $10,260
	PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN (457(F)) AND/OR DEFINED BENEFIT PLAN FOR 2011, AS FOLLOWS THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (C) R JAY COX $ 112,631 J GREGG MARTIN 72,681 WILLIAM RENWICK 36,534 DR GENE DICKERSON 68,301 TERESA M CARLTON 15,824 MICHELLE LOGAN-OWENS 26,054 MIKE WINIARSKI 33,337

0834

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 15 0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EKE4	01-12-2006	76,542,284	SEE PART VI		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FBT8	12-01-2008	16,440,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	21,580,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	76,542,284	16,440,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds		240,000		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	36,255,000	16,200,000		
12	Other unspent proceeds				
13	Year of substantial completion	2007	1995		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %						
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %						
6	Total of lines 4 and 5		0 %						
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X					
2	Is the bond issue a variable rate issue?		X	X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X	X					

Part V Procedures To Undertake Corrective Action

Check the box if 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 . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE,		BOND (A) - THE PROJECT CONSISTS OF THE EXPANSION OF THE PATIENT TOWER TO INCLUDE 35 ADDITIONAL BEDS AT AN ESTIMATED COST OF $30,000,000 SIGNIFICANT ASPECTS OF THE PROJECT INCLUDED THE TUOMEY WOMEN'S CENTER, THE TUOMEY HEALTHCARE SYSTEM NURSERIES, AND EXPANDED INPATIENT CAPACITY OF 22 PRIVATE INPATIENT ROOMS THROUGH A RELOCATION OF CERTAIN DEPARTMENTS BOND (B) - NET PROCEEDS FROM THE SALE OF THE BONDS WERE APPLIED TO THE PAYMENT UPON REDEMPTION OF THE SERIES 1995B VARIABLE RATE BONDS
SCHEDULE K, PART II, LINE [illegible]THER [illegible]EEDS		AMOUNTS ON LINE 11 REPRESENT BOND PROCEEDS USED TO REFUND PRIOR ISSUES DATED AS FOLLOWS BOND (A) - $ 36,255,000 SERIES 1995A, REFUNDED ON FEBRUARY 16, 2006 BOND (B) - $ 16,200,000 SERIES 1995B, REFUNDED ON DECEMBER 1, 2008
SCHEDULE K, PART III,		BOND (B) WAS USED TO CURRENTLY REFUND AN ISSUE DATED BEFORE JANUARY 1, 2003, THEREFORE, PART III OF SCHEDULE K IS NOT APPLICABLE TO THIS BOND

2011 Form 990 THS 049 -

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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 lines 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501 (c)(4) 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) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total ▶ $										

Part III **Grants or Assistance Benefitting 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 grant or type 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	(e) Sharing of organization's revenues? No
(1) CHERYL MARTIN	FAMILY RELATIONSHIP WITH OFFICER J GREGG MARTIN	156,023	COMPENSATION AS EMPLOYEE		No
(2) SYLVESTER OWENS	FAMILY RELATIONSHIP WITH KEY EMPLOYEE MICHELLE LOGAN-OWNES	97,513	COMPENSATION AS EMPLOYEE		No
(3) JOSEPH DURANT	FAMILY RELATIONSHIP WITH BOARD MEMBER KAY RAFFIELD	48,085	COMPENSATION AS EMPLOYEE		No
(4) MACAULAY SMITH	FAMILY RELATIONSHIP WITH CHIEF OF MEDICAL STAFF MURREL SMITH	61,191	COMPENSATION AS EMPLOYEE		No
(5) SHARRY WILLIAMS	FAMILY RELATIONSHIP WITH BOARD MEMBER MITCH WILLIAMS	12,729	COMPENSATION AS EMPLOYEE		No

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

Identifier	Return Reference	Explanation

0838

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
TUOMEY	57-0343398

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE RETURN WAS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM WITH ASSISTANCE AND OVERSIGHT BY MANAGEMENT UPON COMPLETION, THE RETURN WAS REVIEWED BY MANAGEMENT AND DISCUSSED WITH THE BOARD OF DIRECTORS OF THE ORGANIZATION BY THE CFO AND TAX PREPARER BEFORE FILING WITH THE IRS
	FORM 990, PART VI, SECTION B, LINE 12C	EACH YEAR THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A CONFLICT OF INTEREST POLICY QUESTIONNAIRE REQUIRING ALL PERSONS MANAGER AND ABOVE TO DISCLOSE ANY POSSIBLE CONFLICT OF INTEREST OFFICERS, KEY EMPLOYEES, AND TRUSTEES OF THE BOARD COMPLETE THIS QUESTIONNAIRE BEFORE MAJOR VOTES AND DECISIONS, THE POLICY IS CONSIDERED AND ANY MEMBER WITH A CONFLICT IS EXCUSED FROM THE DISCUSSION OR VOTE DOCUMENTATION OF THE CONSIDERATION IS KEPT IN THE MINUTES
	FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION ENGAGES AN INDEPENDENT COMPENSATION CONSULTANT TO DETERMINE THE FAIR MARKET VALUE OF TOP EXECUTIVES FINDINGS OF THE STUDY ARE REVEIWED BY THE BOARD OF TRUSTEES AND USED IN THE SELECTION AND APPROVAL OF COMPENSATION PACKAGES FOR THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES, INCLUDING THE COO, CFO, CNO, CHIEF MEDICAL OFFICER, AND VICE PRESIDENTS
	FORM 990, PART VI, SECTION C, LINE 18	PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATIONS ADMINISTRATIVE OFFICE IN ADDITION, RECENT FILING OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW GUIDESTAR ORG
	FORM 990, PART VI, SECTION C, LINE 19	PHOTOCOPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 3,521,064 CHANGE IN PENSION OBLIGATION -9,832,133 INTERCOMPANY EQUITY TRANSFER -15,204,671 INTERCOMPANY INCOME TRANSFER -768,788 TOTAL TO FORM 990, PART XI, LINE 5 -22,284,528

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) THE TUOMEY FOUNDATION 115 N SUMTER ST SUITE 120 SUMTER, SC 29150 57-1041691	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	N/A		No
(2) TUOMEY MEDICAL PROFESSIONALS INC 129 NORTH WASHINGTON ST SUMTER, SC 29150 57-1012488	HEALTHCARE	SC	501(C)(3)	LINE 11A, I	N/A		No
(3) TIMOTHY J TUOMEY TRUST 129 NORTH WASHINGTON ST SUMTER, SC 29150 23-7127466	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	N/A		No

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50135Y

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TUOHEY PROFESSIONAL SERVICES LLC 129 NORTH WASHINGTON ST SUMTER, SC 29150 20-1691464	HEALTH CARE SERVICES	SC	N/A	C	3,843,605	1,210,203	100 000 %
(2) CORE POSSIBILITIES 129 NORTH WASHINGTON ST SUMTER, SC 29150 20-8372814	HEALTH CARE SERVICES	SC	N/A	C			

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

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

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

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	See Additional Data Table			
(2)				
(3)				
(4)				
(5)				
(6)				

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

Schedule R (Form 990) 2011

0843

2011 Form 990 THS 056 -

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	

0844

Additional Data Return to Form

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	TUOMEY MEDICAL PROFESSIONALS	A	558,816	CASH
(2)	TUOMEY PROFESSIONAL SERVICES LLC	A	88,302	CASH
(3)	THE TUOMEY FOUNDATION	C	257,604	CASH
(4)	TUOMEY MEDICAL PROFESSIONALS	K	145,575	CASH
(5)	TUOMEY PROFESSIONAL SERVICES LLC	K	9,975	CASH
(6)	TUOMEY MEDICAL PROFESSIONALS	N	104,589	CASH
(7)	TUOMEY MEDICAL PROFESSIONALS	Q	8,376,621	CASH
(8)	TUOMEY PROFESSIONAL SERVICES LLC	Q	768,789	CASH
(9)	THE TUOMEY FOUNDATION	N	91,488	CASH

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TUOMEY AND AFFILIATES
D/B/A TUOMEY
HEALTHCARE SYSTEM

Consolidated Financial Statements and
Supplemental Schedules

September 30, 2012 and 2011

(with Independent Auditors'
Report thereon)

TUOMEY AND AFFILIATES
d/b/a Tuomey Healthcare System

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September 30, 2012 and 2011

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DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Trustees
Tuomey and Affiliates d/b/a Tuomey Healthcare System
Sumter, South Carolina

We have audited the accompanying consolidated balance sheets of Tuomey and Affiliates d/b/a Tuomey Healthcare System (the "System") as of September 30, 2012 and 2011 and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended These consolidated financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tuomey and Affiliates d/b/a Tuomey Healthcare System as of September 30, 2012 and 2011 and the consolidated results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole The supplemental schedules consisting of the consolidating balance sheet information as of September 30, 2012 and the consolidating statement of operations information for the year then ended are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

April 16, 2013 Dixon Hughes Goodman LLP

Praxity

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets

	September 30 2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 3,550,191	$ 9,187,435
Patient accounts receivable, less allowance for uncollectible accounts of approximately $11,523,000 (2012) and $12,878,000 (2011)	28,365,547	27,268,869
Estimated third-party payor settlements	—	4,609
Inventories of drugs and supplies	4,708,810	4,465,863
Prepaid expenses	5,750,392	5,215,057
Other current assets	5,914,127	4,198,021
Assets whose use is limited, required for current liabilities	3,221	3,213
Total current assets	48,292,288	50,343,067
Assets whose use is limited, excluding amounts required for current liabilities	116,848,948	113,663,682
Property, plant, and equipment, net	92,974,076	97,608,908
Deferred charges and other assets, net	2,384,325	2,777,728
Total assets	$ 260,499,637	$ 264,393,385

(continued)

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets (continued)

	September 30 2012	2011
Liabilities and Net Assets		
Current liabilities		
Accounts payable	**$ 6,929,814**	$ 7,051,196
Accrued salaries, wages, and other current liabilities	**10,944,219**	9,674,959
Estimated third-party payor settlements	**1,420,274**	–
Current portion of accrued postretirement benefit obligation	**160,900**	139,300
Interest payable	**1,682,482**	1,797,927
Current portion of long-term debt	**3,325,000**	3,165,000
Total current liabilities	**24,462,689**	21,828,382
Long-term debt, less current portion	**88,779,822**	92,145,029
Accrued postretirement benefit obligation, less current portion	**45,838,371**	36,692,552
Other long-term liabilities	**1,790,000**	1,790,000
Total liabilities	**160,870,882**	152,455,963
Net assets		
Unrestricted	**94,587,612**	106,896,279
Permanently restricted	**5,041,143**	5,041,143
Total net assets	**99,628,755**	111,937,422
Total liabilities and net assets	**$260,499,637**	$264,393,385

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30 2012	2011
Unrestricted revenues and other support		
Patient service revenue (net of contractuals, allowances and discounts)	$ 199,383,399	$ 207,008,875
Provision for bad debts	(10,278,906)	(13,211,162)
Net patient service revenue	189,104,493	193,797,713
Other operating revenue	2,994,681	2,703,335
Total unrestricted revenues and other support	192,099,174	196,501,048
Expenses		
Salaries and wages	82,783,192	76,335,059
Benefits	22,450,689	21,133,083
Physician fees	8,760,618	8,858,078
Other fees	13,636,547	13,654,076
Supplies	31,661,003	32,647,181
Utilities	3,074,162	3,241,820
Repairs and maintenance	6,988,325	6,557,220
Leases and rentals	3,746,142	3,789,240
Insurance	2,163,425	1,279,371
Interest	4,071,559	4,371,136
Depreciation and amortization	12,144,866	12,267,745
Hospital tax	5,369,869	5,369,055
Other	1,425,910	1,518,528
Total expenses	198,276,307	191,021,592
Income (loss) from operations	(6,177,133)	5,479,456
Nonoperating gains (losses)		
Net investment income	7,127,915	1,713,407
Other nonoperating income	96,361	72,271
Other nonoperating expense	(3,523,677)	(2,667,352)
Total nonoperating gains (losses)	3,700,599	(881,674)
Excess of revenues and gains over (under) expenses and losses	(2,476,534)	4,597,782
Change in net postretirement benefit obligation	(9,832,133)	(8,067,273)
Decrease in net assets	(12,308,667)	(3,469,491)
Net assets at beginning of year	111,937,422	115,406,913
Net assets at end of year	$ 99,628,755	$ 111,937,422

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Cash Flows

	Year Ended September 30 2012	2011
Operating activities		
Decrease in net assets	$ (12,308,667)	$ (3,469,491)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	12,144,866	12,267,745
Provision for bad debts	10,278,906	13,211,162
Gain on sale and disposal of property, plant, and equipment	(1,299)	(291,901)
Change in net postretirement benefit obligation	9,832,133	8,067,273
Changes in operating accounts		
Patient accounts receivable	(11,375,584)	(8,918,846)
Estimated third-party payor settlements	1,424,883	1,387,644
Inventories of drugs and supplies	(242,947)	565,937
Due from Medicaid disproportionate share pool program	—	1,233,988
Prepaid expenses and other assets	(1,990,750)	(690,376)
Accounts payable	(205,677)	(5,420,588)
Accrued salaries, wages, and other current liabilities	1,269,260	1,025,082
Interest payable	(115,445)	(11,398)
Accrued postretirement benefit obligation	(664,714)	(505,280)
Net cash provided by operating activities	8,044,965	18,450,951
Investing activities		
Purchase of property, plant, and equipment	(7,338,805)	(9,220,959)
Proceeds received on sale and disposal of property, plant, and equipment	6,870	528,717
Net changes in assets whose use is limited	(3,185,274)	4,685,098
Net cash used in investing activities	(10,517,209)	(4,007,144)
Financing activities		
Repayment of long-term debt	(3,165,000)	(10,541,210)
Net cash used in financing activities	(3,165,000)	(10,541,210)
Increase (decrease) in cash and cash equivalents	(5,637,244)	3,902,597
Cash and cash equivalents at beginning of year	9,187,435	5,284,838
Cash and cash equivalents at end of year	$ 3,550,191	$ 9,187,435
Supplemental disclosure of noncash capital and financing activity		
Cash paid for interest during the year	$ 4,227,211	$ 4,382,534
Property, plant, and equipment, included in accounts payable	$ 84,295	$ 155,406

The accompanying notes are an integral part of these consolidated financial statements

1 **Significant Accounting Policies**

Organization and Principles of Consolidation - The consolidated financial statements of Tuomey and Affiliates d/b/a Tuomey Healthcare System (the "System") include the accounts of Tuomey, formerly known as Tuomey Regional Medical Center (the "Medical Center"), and its affiliates, Tuomey Medical Professionals, Inc ("TMP") and Tuomey Professional Services, LLC ("TPS") The Medical Center is a not-for-profit acute care hospital located in Sumter, South Carolina TMP was established by the Medical Center and consists of a group of physician practices that participate in the integrated health care delivery system TPS is a for profit entity that consists of physician practices TPS ceased operations during 2012

All significant intercompany accounts and transactions have been eliminated in consolidation

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents - Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less when purchased, excluding amounts whose use is limited by Board designation or funds held under trust agreements

The System maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation ("FDIC") At times throughout the year, the System may maintain bank balances in excess of the FDIC insured limits It is management's opinion that the System is not exposed to any significant credit risk related to cash

Patient Accounts Receivable - Patient accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of patient accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts For patient receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for contractual adjustments For

patient receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard charges and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Inventories of Drugs and Supplies - Inventories consisting of drugs and supplies are stated at the lower of cost, determined on the first-in, first-out ("FIFO") method, or market value

Investments - Investments in equity securities with readily determinable fair values, all investments in debt securities, and all pooled investments are measured at fair value in the consolidated balance sheets The System adopted the provisions of the *Fair Value Option for Financial Assets and Liabilities* As a result, investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law

Assets Whose Use Is Limited - Assets whose use is limited include assets held by trustees under indenture or escrow agreements, designated assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets restricted by a donor Amounts required to meet current liabilities of the System have been reclassified in the consolidated balance sheets and are included in current assets

Property, Plant, and Equipment - Property, plant, and equipment are recorded at cost or, if contributed, at fair value at date of contribution The cost of the depreciable assets is being amortized on the straight-line method over their estimated useful lives as recommended by the American Hospital Association Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets

The System periodically assesses the net realizable value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount For assets to be disposed of or sold, any resulting gains and losses are reported in income from operations

Deferred Charges and Other Assets - Deferred charges and other assets consist primarily of bond issuance costs and other receivables

Bond issuance costs are amortized over the respective lives of the bond issues Accumulated amortization at September 30, 2012 and 2011 was approximately $775,000 and $703,000, respectively

Bond Issue Discounts and Premiums - Bond issue discounts and premiums are amortized using the effective interest rate method over the respective lives of the bond issues Bond issue discounts and premiums are included in long-term debt on the consolidated balance sheets

Net Assets - A substantial portion of the System's net assets are classified as unrestricted for accounting and reporting purposes These resources have no donor restrictions as to use or purpose These resources include amounts generated from operations, undesignated gifts, and investments in property, plant, and equipment Permanently restricted net assets that have been restricted by donors are to be maintained by the System in perpetuity

Consolidated Statements of Operations and Changes in Net Assets - For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenues and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses Investment income or loss, unrestricted gifts, and bequests are recorded as nonoperating activities

Excess of Revenues and Gains Over (Under) Expenses and Losses - The consolidated statements of operations and changes in net assets includes excess of revenues and gains over (under) expenses and losses which is considered by the System to be its operating indicator Changes in unrestricted net assets which are excluded from excess of revenues and gains over (under) expenses and losses, consistent with industry practice, include permanent transfers of assets to and from affiliates, changes in the pension obligation, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Net Patient Service Revenue - The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of discounted rates On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for

the services provided Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided

Charity Care - The System adopted the Accounting Standard Update "Measuring Charity Care for Disclosure" in the current year The accounting standard update requires all entities to disclose the amount of charity care provided using a cost-based measurement basis The accounting standard update will have no effect on the amounts reported in the consolidated financial statements The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue or patient accounts receivable in the accompanying consolidated financial statements The amounts of direct and indirect costs foregone for services and supplies furnished under the System's charity care policy totaled approximately $12,756,000 and $10,592,000 for the years ended September 30, 2012 and 2011, respectively The System uses the cost to charge ratio to estimate the cost of charity care

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated asset When a donor restriction expires (i e , when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Pension Costs - The System's funding policy is to contribute amounts sufficient to meet the minimum funding requirements as set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"), plus such additional amounts as the System may determine to be appropriate

Functional Expenses - The System does not present expense information by functional classification because its resources and activities are primarily related to providing health care services Further, since the System receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered more important in evaluating how well management has discharged its stewardship responsibilities

Income Taxes - The Medical Center and TMP are exempt from income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code, accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes TPS is a for-profit entity that is not exempt

from income taxes The System has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2012 Fiscal years ending on or after September 30, 2009 remain subject to examination by federal and state tax authorities

Risk Management - The System is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, and natural disasters Commercial insurance coverage is purchased for claims arising from such matters

Early Adoption of ASU 2011-07 – During the current fiscal year, the System has applied early adoption of ASU 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts issued by the Financial Accounting Standards Board ("FASB"), although compliance with this standard is mandatory only with effect from December 31, 2012 and afterwards The early adoption of ASU 2011-07 does not result in any adjustment to recognized items included in the consolidated balance sheets or statement of operations of the System in both, the current and prior years

Reclassification - Certain amounts in the fiscal year 2011 consolidated financial statements have been reclassified to conform to the fiscal year 2012 presentation

2 **Net Patient Service Revenue**

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare—Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are reimbursed on a prospective payment system, called the Ambulatory Payment Classification System ("APCS") The System's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2007

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed using a payment per discharge system with the case-mix adjustments based on a Diagnosis Related Group ("DRG") system Outpatient Medicaid services are reimbursed at a certain percentage of allowable costs In 2011, Medicaid reduced reimbursement to Hospital providers due to decreases in governmental funding and recent healthcare reform The System is reimbursed at a tentative rate with final settlement determined after it submits its annual Medicaid cost report The System's Medicaid cost reports have been audited by the Medicaid program through September 30, 2004

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The bases

for payments to the System under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Revenue from the Medicare and Medicaid programs accounted for approximately 57 percent and 52 percent of the System's net patient service revenue, respectively, for the years ended September 30, 2012 and 2011 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term The filed cost reports are subject to audits, reviews, and investigations The 2012 net patient service revenue increased approximately $141,000 due to changes in the allowances previously estimated for tentative cost report settlements The 2011 net patient service revenue increased approximately $1,340,000 due to changes in the allowances previously estimated for tentative cost report settlements

Patient service revenue, net of contractual adjustments and discounts, but before the provision for bad debts, recognized in the period from these major payor sources is as follows for the year ended September 30, 2012

	Third-Party Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual adjustments and discounts)	$170,278,839	$20,104,560	$199,383,399

Contractual adjustments related to Medicare and Medicaid programs and other deductions as well as the provision for bad debts were deducted from gross patient service charges to arrive at net patient service revenue as follows

	2012	2011
Gross patient service charges	$ 550,469,927	$ 554,655,888
Deductions from gross patient service charges		
Medicare and Medicaid contractual adjustments	225,867,575	219,778,971
Other deductions	125,218,953	127,868,042
Provision for bad debts	10,278,906	13,211,162
Total deductions from gross patient service charges	361,365,434	360,858,175
Net patient service revenue	$ 189,104,493	$ 193,797,713

During 2012 and 2011, the System received monies under the Medicaid Disproportionate Share Pool Program (the "Program") Under the Program, the System received payments totaling approximately $8,304,000 and $9,823,000 in 2012 and 2011, respectively These amounts are reflected as a reduction of Medicaid contractual adjustments The revenue received under the Program is determined by state Medicaid guidelines, which are subject to change, thereby causing volatility in the revenue received under the Program Payments of

disproportionate share funds in the future may be impacted by Medicaid reform initiatives The Program contains a provision requiring the repayment of disproportionate funds received if the participating hospital is determined to be ineligible

3. Assets Whose Use Is Limited

The composition of assets whose use is limited at September 30 is set forth in the following table

	2012	2011
Board designated		
Common trust funds	$ 88,384,913	$ 36,350,226
Cash and cash equivalents	71,369	10,801
U S treasury bonds and notes	114,816	64,165
U S government agencies	160,756	131,342
Mutual funds	92,907	7,621
Life insurance annuity	214,580	91,128
Equities	279,739	112,678
Corporate obligations	148,738	64,817
	$ 89,467,818	$ 36,832,778
Funds held by Trustee		
Cash and cash equivalents	$ 185,157	$ 236,698
Money market funds	215,026	49,551,297
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000
U S treasury bonds and notes	5,503,025	5,564,979
	22,343,208	71,792,974
Restricted by donor		
Cash and cash equivalents	332,236	112,835
U S treasury bonds and notes	534,491	670,322
U S government agencies	748,352	1,372,108
Mutual funds	432,502	79,615
Life insurance annuity	998,915	952,001
Equities	1,302,242	1,177,133
Corporate obligations	692,405	677,129
	5,041,143	5,041,143
	$ 116,852,169	$ 113,666,895

Net investment income is comprised of the following for the years ended September 30

	2012	2011
Interest and dividend income	$ 524,686	$ 586,913
Net realized and unrealized gains (losses) on investments	5,117,575	(2,997,301)
Other investment income	1,485,654	4,123,795
Net investment income	$ 7,127,915	$ 1,713,407

4 Property, Plant, and Equipment

Property, plant, and equipment consist of the following at September 30

	2012	2011
Land	$ 9,419,642	$ 9,419,642
Land improvements	872,678	972,581
Buildings	44,518,286	44,618,694
Building service equipment	83,397,291	85,350,947
Equipment	42,341,757	42,692,254
	180,549,654	183,054,118
Less accumulated depreciation	87,874,631	90,623,687
	92,675,023	92,430,431
Construction in progress	299,053	5,178,477
	$ 92,974,076	$ 97,608,908

Depreciation expense for the years ended September 30, 2012 and 2011 was approximately $12,052,000 and $12,207,000, respectively

5 Capital Contribution Campaign

The Tuomey Foundation Board of Governors voted in December 2005 to embark on a two year capital campaign for the creation of a free standing women's center which would expand and enhance the nurseries and increase the number of beds at the System from 266 to 301 The campaign had raised approximately $2,918,000 as of September 30, 2012 At September 30, 2012 and 2011, approximately $613,000 and $1,074,000, respectively, was included in other assets on the consolidated balance sheets

6 Long-Term Debt

A summary of long-term debt at September 30 follows

	2012	2011
Hospital Revenue Bonds		
Series 2008		
Variable rate bonds maturing 2021 to 2025, bearing interest determined weekly, payable semi-annually	$ 16,440,000	$ 16,440,000
Series 2006		
Term bonds maturing 2005 to 2035, bearing interest from 4 00% to 5 00%, payable semi-annually	52,925,000	55,515,000
Series 1998		
Term bonds maturing 2005 to 2026, bearing interest from 4 30% to 5 00%, payable semi-annually	21,560,000	22,135,000
Add (less) unamortized original issue premium/discount		
Series 2006 term bonds	1,624,775	1,697,540
Series 1998 term bonds	(444,953)	(477,511)
Total long-term debt	92,104,822	95,310,029
Less current portion	3,325,000	3,165,000
	$ 88,779,822	$ 92,145,029

During 1998, the Hospital Revenue Bonds, Series 1998 ("Series 1998") were issued by the South Carolina Jobs-Economic Development Authority The Series 1998 are limited obligations of the South Carolina Jobs-Economic Development Authority and are payable and secured solely from the receipts and revenues of the System The Series 1998 bonds are insured by Ambac Assurance Corporation The Series 1998 bonds began to mature in 2005 and are subject to redemption rates at 100% of par value after November 1, 2010 The principal and sinking fund payments on the Series 1998 maturing in 2018 and 2026 are due on November 1 of each year as follows $605,000 in 2013, $645,000 in 2014, $680,000 in 2015, $720,000 in 2016, $755,000 in 2017, and $18,155,000 thereafter

On January 6, 2006, the Medical Center issued $74,505,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2006 ("Series 2006") The proceeds of the Series 2006 bonds were used to refund in advance of their maturities the Series 1995A bonds, finance the expansion of the patient tower, fund a debt service reserve fund, pay in trust on the Series 2006 bonds through November 1, 2007, and finance certain costs of issuance, including a premium for bond issuance The Series 2006 bonds are secured by a pledge of revenues of the System and a mortgage in the Medical Center property The Series 2006 bonds maturing on November 1, 2030 and November 1, 2035 are subject to a mandatory sinking fund redemption beginning in years 2027 through 2035, ranging in amounts from $2,795,000 to $4,055,000 The Series 2006 bonds are insured by CIFG Assurance North America

On December 1, 2008, the Medical Center issued $16,440,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2008 ("Series 2008") The proceeds of the Series 2008 bonds were used to refund in advance of their maturities the Series 1995B bonds During 2010, the System repurchased the $16,440,000 Series 2008 bonds The Series 2008 bonds are held in assets whose use is limited on the consolidated balance sheets

Pursuant to its respective bond indentures and loan agreements, the Medical Center is subject to certain restrictive covenants, including maintaining a specific ratio of income available for debt service to maximum annual debt service, limiting the amount of additional indebtedness, and restrictions on the disposal of fixed assets In addition, the financing agreements contain restrictions or limitations with respect to indebtedness, property encumbrance, consolidation, or merger and transfer of assets, and, the Medical Center has agreed that it will not create any lien upon its property, accounts, or revenue now owned or hereafter acquired other than "permitted liens" as described in the loan documents

The maturities of long-term debt are as follows

Maturity Date	2008 Bonds	2006 Bonds	1998 Bonds
2013	$ -	$ 2,720,000	$ 605,000
2014	-	2,845,000	645,000
2015	-	2,985,000	680,000
2016	-	3,130,000	720,000
2017	-	3,285,000	755,000
Thereafter	16,440,000	37,960,000	18,155,000
	$ 16,440,000	$ 52,925,000	$ 21,560,000

Interest paid amounted to approximately $4,227,000 in 2012 and $4,383,000 in 2011

7 Pension Plan

The System follows the provisions of *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans* and its application is fully reflected in the consolidated financial statements The pronouncement requires the funding deficit or surplus of pension and postretirement benefit plans to be recognized in the sponsoring employer's consolidated balance sheet, with a corresponding adjustment to unrestricted net assets The adjustment to unrestricted net assets at adoption represents the net unrecognized actuarial losses, unrecognized prior service costs and unrecognized transition obligations which were previously netted against the plan's funded status in the consolidated balance sheet These amounts will be subsequently recognized as a net periodic benefit cost pursuant to the Systems' historical accounting policy for amortizing such amounts Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets Those amounts will be subsequently recognized as a component of net periodic benefit cost on the

same basis as the amounts recognized in unrestricted net assets upon adoption of the provisions

Effective December 31, 2009, the System froze its Defined Benefit Plan and replaced it with a Defined Contribution Plan No further benefits will accrue to the employees after December 31, 2009

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2012	2011
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 72,147,936	$ 65,401,711
Service cost	-	-
Interest cost	3,298,306	3,295,008
Actuarial loss	9,953,195	5,071,038
Benefits paid	(1,781,403)	(1,619,821)
Benefit obligation at end of year	83,618,034	72,147,936
Change in plan assets		
Fair value of plan assets at beginning of year	44,447,684	44,390,652
Actual return on plan assets	6,683,631	676,641
Benefits paid	(1,781,403)	(1,619,821)
Employer contributions	1,532,351	1,000,212
Fair value of plan assets at end of year	50,882,263	44,447,684
Funded status of the plan	$ (32,735,771)	$ (27,700,252)

	2012	2011
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	3 82%	4 63%
Rate of annual compensation increases	N/A	N/A
Measurement date	9/30/2012	9/30/2011
Used to determine net periodic benefit cost		
Discount rate	4 63%	5 10%
Rate of increase in compensation levels	N/A	N/A
Expected long-term rate of return on assets	8 00%	8 00%
Measurement date	9/30/2011	9/30/2010
Net periodic benefit cost		
Service cost	$ -	$ -
Interest cost	3,298,306	3,295,008
Expected return on plan assets	(3,534,142)	(3,527,811)
Amortization of actuarial (gain)/loss	481,873	274,335
Net periodic pension cost	$ 246,037	$ 41,532

Asset Allocation

	Target Allocation	Percentage of Plan Assets as of September 30, 2012	September 30, 2011
Cash and cash equivalents	3%	1%	1%
Fixed income securities	35	47	53
Equity securities	62	52	46
Total	100%	100%	100%

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2012

	Fair value at September 30, 2012	Fair value measurements at September 30, 2012 using Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
Assets measured at fair value				
Money market funds	$ 695,969	$ 695,969	$ -	$ -
Fixed income securities				
U S treasury bonds	6,246,580	6,246,580	-	-
U S corporate bonds	17,810,377	17,810,377	-	-
Equities				
U S large cap	20,092,920	20,092,920	-	-
U S mid cap	1,617,645	1,617,645	-	-
U S small cap	1,561,760	1,561,760	-	-
International	2,857,012	2,857,012	-	-
Total assets at fair value	$ 50,882,263	$ 50,882,263	$ -	$ -

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2011

		Fair value measurements at September 30, 2011 using		
	Fair value at September 30, 2011	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
Assets measured at fair value				
Money market funds	$ 174,123	$ 174,123	$ -	$ -
Fixed income securities				
U S treasury bonds	2,210,146	2,210,146	-	-
U S corporate bonds	21,419,013	21,419,013	-	-
Equities				
U S large cap	14,035,002	14,035,002	-	-
U S mid cap	1,286,063	1,286,063	-	-
U S small cap	2,885,119	2,885,119	-	-
International	2,438,218	2,438,218	-	-
Total assets at fair value	$ 44,447,684	$ 44,447,684	$ -	$ -

Investment Policy and Strategy - The System's policy, as established by the Pension Committee, is to provide for growth of capital with a moderate level of volatility by investing in a balanced portfolio The actual asset allocation of the overall plan assets, as well as the performance of the individual managers, is reviewed by the Pension Committee on a quarterly basis

Determination of Expected Long-Term Rate of Return - The plan's long-term rate of return assumption of 8 00% is based on expectations regarding each asset category and average long-term rate of returns for a portfolio allocated across these categories

Contributions – Expected contributions for the fiscal year ending September 30, 2013 are approximately $1,966,000

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid as follows

2013	$ 2,129,846
2014	2,328,794
2015	2,531,157
2016	2,726,881
2017	2,972,337
2018 – 2022	18,529,127
	$ 31,218,142

8 Postretirement Benefits

In addition to the System's noncontributory defined benefit pension plan, the System sponsors a defined benefit health care plan that provides postretirement medical and dental benefits to eligible employees and/or dependents The availability of group coverage for Medicare eligible retirees varies by employee group with coverage designed either to supplement or coordinate with Medicare Retirees must pay a portion of the cost of the coverage

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2012	2011
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 9,131,600	$ 8,258,800
Service cost	422,600	388,500
Interest cost	436,700	436,400
Plan participants' contributions	222,300	226,200
Medicare Part D reimbursements	(13,700)	10,200
Actuarial loss	3,453,100	355,500
Benefits paid	(389,100)	(544,000)
Benefit obligation at end of year	13,263,500	9,131,600
Change in plan assets		
Fair value of plan assets at beginning of year	-	-
Employer contributions	180,500	307,600
Medicare Part D reimbursements	(13,700)	10,200
Plan participants' contributions	222,300	226,200
Benefits paid	(389,100)	(544,000)
Fair value of plan assets at end of year	-	-
Funded status of the plan	$ (13,263,500)	$ (9,131,600)

	2012	2011
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	4 10%	4 82%
Initial medical trend rate	8 00%	8 50%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	6	7
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2012	9/30/2011
Used to determine net periodic benefit cost		
Discount rate	4 82%	5 33%
Initial medical trend rate	8 50%	9 00%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	7	8
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2011	9/30/2010

	2012	2011
Net periodic benefit cost		
Service cost	$ 422,600	$ 388,500
Interest cost	436,700	436,400
Amortization of prior service costs	(338,600)	(338,600)
Amortization of actuarial loss	281,400	274,700
Net periodic pension cost	$ 802,100	$ 761,000

The medical trend rate assumption has a significant effect on the amounts reported For example, increasing the assumed medical trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of September 30, 2012 by approximately $3,706,800 and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for the year ended September 30, 2012 by approximately $285,300

Contributions - Expected contributions for the fiscal year ending September 30, 2013 are approximately $164,200

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid net of employee contributions as follows

2013	$ 221,300
2014	242,300
2015	284,600
2016	311,500
2017	349,200
2018 – 2022	2,516,800
	$ 3,925,700

9 Other Employee Benefits

The Medical Center has a retirement savings plan under Section 403(b) of the Internal Revenue Code Employees are eligible to participate on their first date of employment The Medical Center determines its contribution to the 403(b) plan based on employee contribution levels, years of service, and hours worked As of September 30, 2012 and 2011, the Medical Center has accrued approximately $2,100,000 and $2,250,000 respectively, in accrued salaries, wages, and other current liabilities on the consolidated balance sheets for plan contributions

In addition to the Medical Center's noncontributory defined benefit pension plan, 403(b) plan, and medical and dental postretirement benefits, the Medical Center also sponsors a 457(f) plan for executives As of September 30, 2012 and 2011, approximately $1,423,000 and $1,626,000, respectively, is included in the Systems' other current assets on the consolidated balance sheets No liabilities were recorded because certain eligibility requirements have not been met

10 **Foundation**

The Tuomey Foundation (the "Foundation") was created for the sole benefit of the System and has a calendar year end The summarized unaudited financial information of the Foundation as of the years September 30, 2012 and 2011 are as follows

	2012	2011
Total assets	$ 4,627,342	$ 5,230,262
Total liabilities	832,231	1,593,824
Net assets	3,795,111	3,636,438
Revenues	931,503	1,176,173
Expenses	772,830	1,230,965
Revenues over (under) expenses	$ 158,673	$ (54,792)

As of September 30, 2012 and 2011, the Foundation owed approximately $832,000 and $1,594,000, respectively, to the System for items purchased on the Foundation's behalf and pledges received by the Foundation for the System These receivables are recorded in other current assets on the System's consolidated balance sheets

11 **Concentrations of Credit Risk**

Financial instruments that potentially subject the System to a concentration of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable from patients and third-party payors It is management's opinion that the System is not exposed to any significant credit risk related to cash Concentration of credit risk with respect to patient accounts receivable is managed by an in-house credit staff Third-party payors are primarily Medicare and Medicaid which provide reimbursement on patient accounts on a regular basis Managed care receivables are distributed among several primary payors The creditworthiness of managed care payors is considered by the System prior to entering into an agreement with the payor

The System grants credit, without collateral to its patients, most of whom are local residents and insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30 was as follows

	2012	2011
Medicare	37%	34%
Medicaid	18	19
Blue Cross	16	15
Patient	19	15
Other	10	17
	100%	100%

12 **Commitments and Contingencies**

Operating Leases - The System leases certain equipment and facilities used in its operations under operating leases, which have noncancelable terms in excess of one year Total rent expense in 2012 and 2011 for all operating leases was approximately $4,437,000 and $4,480,000, respectively These leases, which have been accounted for as operating leases, have future minimum annual lease payments as follows

2013	$ 2,072,100
2014	1,821,898
2015	1,468,274
2016	1,177,412
2017	903,102
Thereafter	6,204,231
	$ 13,647,017

Medical Malpractice Claims - The System participates in a multiprovider captive for professional and general liability insurance coverage on a claims made basis The System's premiums are accrued based on the experience to date of the participating health care providers The System would be subject to retroactive premium adjustments should the captive's loss experience exceed premiums

The System has an irrevocable letter of credit in favor of the captive at September 30, 2012 of $408,937 The letter of credit expires November 19, 2013 There were no borrowings under the letter of credit at September 30, 2012 or 2011

Malpractice claims have been asserted against the System by various claimants, and additional claims could be asserted for incidents occurring through September 30, 2012 At September 30, 2012 and 2011, management is aware of no significant claims that are not adequately covered by insurance or that would have a material adverse effect on the consolidated balance sheet of the System An accrual has been established for an estimate of incurred but not reported claims in accrued salaries, wages, and other current liabilities on the consolidated balance sheets

Litigation - The System is involved in litigation and regulatory investigations arising in the normal course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's consolidated balance sheet or consolidated statement of operations and changes in net assets

The System is currently a defendant in a civil suit brought by a physician on its medical staff under the qui tam provisions of the federal False Claims Act ("FCA") The suit alleges that the System violated the FCA as a result of part-time employment contracts between the System and certain other physicians on its medical staff The United States Government intervened in the suit After a three week trial in federal court, the jury rendered a verdict that the System did not violate the FCA However, subsequent to that verdict, the court granted judgment for the Government on its equitable restitution claims in the amount of $44,888,651 The court also granted the Government a new trial on its FCA claims based on a perceived error made by the court during the trial The System appealed the trial court's equitable judgment to the Fourth Circuit Court of Appeals On March 20, 2012, the Fourth Circuit Court of Appeals reversed the trial court's equitable judgment The $44,888,651 plus interest was returned to Tuomey The case was remanded to federal district court in Columbia, SC for a retrial on all issues The case is set for retrial for April 16, 2013 It is expected to be a four to five week trial

Although the results of the litigation are not finalized, the System has included an estimated obligation of $1,790,000 in other long-term liabilities as of September 30, 2012 and 2011 As a result of the appeal and possible new trial, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term

Industry Regulation - The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulation by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services billed

13 **Related Party Transactions**

The System has a banking relationship with a financial institution that employs the Systems' chairman of the board

The System has physicians that serve on the board that provide medical services totaling approximately $501,000 and $1,008,000 for 2012 and 2011, respectively The System also purchased approximately $160,000 and $337,000 in 2012 and 2011, respectively, of assets from physicians that serve on the board

14 **Endowment Funds**

The Medical Center's endowment consists of one donor-restricted endowment fund

Interpretation of Relevant Law -The Board of Trustees of the Medical Center has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Medical Center classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment

In accordance with SPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Changes in Endowment Net Assets – The change in endowment net assets for the year ended September 30, 2012 is as follows

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 482,552	$ 5,041,143	$ 5,523,695
Investment income, net	675,353	-	675,353
Distribution	(75,000)	-	(75,000)
Endowment net assets, end of year	$ 1,082,905	$ 5,041,143	$ 6,124,048

The change in endowment net assets for the year ended September 30, 2011 is as follows

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 606,854	$ 5,041,143	$ 5,647,997
Investment loss, net	(49,302)	-	(49,302)
Distribution	(75,000)	-	(75,000)
Endowment net assets, end of year	$ 482,552	$ 5,041,143	$ 5,523,695

15 Fair Value of Financial Instruments

The *Fair Value Measurements* Standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements The provision does not require any new fair value measurements, but clarifies and standardizes some divergent practices that have emerged since prior guidance was issued The provision creates a three-level hierarchy under which individual fair value estimates are to be ranked based on the relative reliability of the inputs used in the valuation

The provision defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date When determining the fair value measurements for assets and liabilities, the System considers the principal or most advantageous market in which those assets or liabilities are sold and considers assumptions that market participants would use when pricing those assets or liabilities Fair values determined using level 1 inputs rely on active and observable markets to price identical assets or liabilities In situations where identical assets and liabilities are not traded in active markets, fair values may be determined based on level 2 inputs, which exist when observable data exists for similar assets and liabilities Fair values for assets and liabilities that are not actively traded in observable markets are based on level 3 inputs, which are considered to be unobservable

Among the System's assets were various investments that were reported at their fair values on a recurring basis

For assets carried at fair value, the following tables provide fair value information as of September 30, 2012 and 2011

		Fair value measurements at September 30, 2012 using		
	Fair value at September 30, 2012	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
Assets measured at fair value				
Money market funds	$ 215,026	$ 215,026	$ -	$ -
Common trust funds	88,384,913	-	88,384,913	-
U S equity mutual funds	525,409	525,409	-	-
U S treasury bonds and notes	6,152,332	6,152,332	-	-
U S government agencies	909,108	909,108	-	-
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	-	-
Equities				
Large cap	1,543,488	1,543,488	-	-
Mid cap	38,493	38,493	-	-
Corporate obligations	841,143	841,143	-	-
Total assets at fair value	$ 115,049,912	$ 26,664,999	$ 88,384,913	$ -

Assets whose use is limited, described in Note 3, are held at fair value and included in the table above except cash and cash equivalents totaling $588,762 and life insurance annuities totaling $1,213,495

		Fair value measurements at September 30, 2011 using		
	Fair value at September 30, 2011	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant unobservable inputs (Level 3 inputs)
Assets measured at fair value				
Money market funds	$ 49,551,297	$ 49,551,297	$ -	$ -
Common trust funds	36,350,226	-	36,350,226	-
U S equity mutual funds	87,236	87,236	-	-
U S treasury bonds and notes	6,299,466	6,299,466	-	-
U S government agencies	1,503,450	1,503,450	-	-
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	-	-
Equities				
Large cap	1,242,547	1,242,547	-	-
Mid cap	36,212	36,212	-	-
Small cap	11,052	11,052	-	-
Corporate obligations	741,946	741,946	-	-
Total assets at fair value	$ 112,263,432	$ 75,913,206	$ 36,350,226	$ -

Assets whose use is limited, described in Note 3, are held at fair value and included in the table above except cash and cash equivalents totaling $360,334 and life insurance annuities totaling $1,043,129

Prices for money market funds, mutual funds, U S treasury bonds and notes, U S government agencies, 2008 Series Revenue and Refunding bonds, equities, and corporate obligations are readily available in the active markets in which those securities are traded, and the resulting fair values are shown in the 'Level 1 input' column The System has determined that small cap equities have market capitalization less than $2 billion, Mid cap equities have market capitalization of between $2 billion and $10 billion, and large cap have market capitalization over $10 billion Common trust funds are not traded on active markets, and therefore the resulting fair values are shown in the 'Level 2 input' column

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments

- *Cash and cash equivalents* The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents approximate their fair value
- *Assets whose use is limited* These assets consist primarily of cash, investments, and interest receivable As discussed in Note 1, the carrying values of investments at September 30, 2012 and 2011 approximate their fair value
- *Accounts payable and accrued expenses* The carrying amounts reported in the consolidated balance sheets for accounts payable and accrued expenses approximate their fair value
- *Estimated third-party payor settlements* The carrying amounts reported in the consolidated balance sheets for these settlements approximate their fair value
- *Long-term debt* Fair values for the 1998, 2006, and 2008 Bonds are based on estimates using present value techniques These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, prepayments, and estimates of future cash flows, future expected loss experience, and other factors Changes in assumptions could significantly affect these estimates Derived fair value estimates cannot be substantiated by comparison of independent markets and, in many cases, may or may not be realized in an immediate sale of the instrument The fair value of the 1998, 2006, and 2008 Bonds, described in Note 6, is estimated to be approximately $92,187,000 at September 30, 2012

16 Subsequent Events

Subsequent events have been evaluated through April 16, 2013, which is the date the consolidated financial statements were available to be issued

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information

September 30, 2012

	Medical Center	TMP	TPS	Consolidation/ Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	$ 3,401,695	$ 148,496	$ –	$ –	$ 3,550,191
Patient accounts receivable, less allowance for uncollectible accounts of approximately $11,523,000	26,065,766	2,299,781	–	–	28,365,547
Inventories of drugs and supplies	4,708,810	–	–	–	4,708,810
Prepaid expenses	5,416,486	333,906	–	–	5,750,392
Other current assets	26,306,167	558,302	–	(20,950,342)	5,914,127
Assets whose use is limited, required for current liabilities	3,221	–	–	–	3,221
Total current assets	65,902,145	3,340,485	–	(20,950,342)	48,292,288
Assets whose use is limited, excluding amounts required for current liabilities	116,848,948	–	–	–	116,848,948
Property, plant, and equipment, net	91,900,227	1,073,849	–	–	92,974,076
Deferred charges and other assets, net	2,384,325	–	–	–	2,384,325
Total assets	$ 277,035,645	$ 4,414,334	$ –	$ (20,950,342)	$ 260,499,637

(continued)

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information (continued)

September 30, 2012

	Medical Center	TMP	TPS	Consolidation/ Eliminations	Total
Liabilities and Net Assets					
Current liabilities					
Accounts payable	$ 6,692,637	$ 237,177	$ –	$ –	$ 6,929,814
Accrued salaries, wages, and other current liabilities	10,366,882	21,527,679	–	(20,950,342)	10,944,219
Estimated third-party payor settlements	1,420,274	–	–	–	1,420,274
Current portion of accrued postretirement benefit obligation	160,900	–	–	–	160,900
Interest payable	1,682,482	–	–	–	1,682,482
Current portion of long-term debt	3,325,000	–	–	–	3,325,000
Total current liabilities	23,648,175	21,764,856	–	(20,950,342)	24,462,689
Long-term debt, less current portion	88,779,822	–	–	–	88,779,822
Accrued postretirement benefit obligation, less current portion	45,838,371	–	–	–	45,838,371
Other long-term liabilities	1,790,000	–	–	–	1,790,000
Total liabilities	160,056,368	21,764,856	–	(20,950,342)	160,870,882
Net assets					
Unrestricted	111,938,134	(17,350,522)	–	–	94,587,612
Permanently restricted	5,041,143	–	–	–	5,041,143
Total net assets	116,979,277	(17,350,522)	–	–	99,628,755
Total liabilities and net assets	$ 277,035,645	$ 4,414,334	$ –	$ (20,950,342)	$ 260,499,637

See Independent Auditors' Report

Tuomey and Affiliates
(d/b/a Tuomey Healthcare System)

Consolidating Statement of Operations Information
for the year ended
September 30, 2012

	Medical Center	TMP	TPS	Consolidation/ Eliminations	Total
Unrestricted revenues and other support					
Patient service revenue (net of contractuals, allowances and discounts)	$ 184,253,746	$ 14,092,066	$ 1,077,839	$ (40,252)	$ 199,383,399
Provision for bad debts	(9,420,432)	(817,065)	(41,409)	–	(10,278,906)
Net patient service revenue	174,833,314	13,275,001	1,036,430	(40,252)	189,104,493
Other operating revenue	3,319,162	447,789	–	(772,270)	2,994,681
Total unrestricted revenues and other support	178,152,476	13,722,790	1,036,430	(812,522)	192,099,174
Expenses					
Salaries and wages	67,949,353	13,840,544	993,295	–	82,783,192
Benefits	19,531,057	2,726,668	201,964	(9,000)	22,450,689
Physician fees	8,760,618	–	–	–	8,760,618
Other fees	12,319,861	2,005,984	114,224	(803,522)	13,636,547
Supplies	30,859,206	726,270	75,527	–	31,661,003
Utilities	2,984,100	71,851	18,211	–	3,074,162
Repairs and maintenance	6,614,860	361,878	11,587	–	6,988,325
Leases and rentals	3,171,477	1,071,267	194,022	(690,624)	3,746,142
Insurance	1,233,818	873,453	56,154	–	2,163,425
Interest	4,071,559	–	–	–	4,071,559
Depreciation and amortization	11,764,669	253,554	126,643	–	12,144,866
Hospital tax	5,369,869	–	–	–	5,369,869
Other	1,238,819	173,500	13,591	–	1,425,910
Total expenses	175,869,266	22,104,969	1,805,218	(1,503,146)	198,276,307
Income (loss) from operations	2,283,210	(8,382,179)	(768,788)	690,624	(6,177,133)
Nonoperating gains (losses)					
Net investment income	7,122,352	5,563	–	–	7,127,915
Other nonoperating income	96,361	–	–	–	96,361
Other nonoperating expense	(2,833,053)	–	–	(690,624)	(3,523,677)
Total nonoperating gains (losses)	4,385,660	5,563	–	(690,624)	3,700,599
Excess of revenues and gains over (under) expenses and losses	6,668,870	(8,376,616)	(768,788)	–	(2,476,534)
Intercompany Income Transfers	(768,788)	–	768,788	–	–
Intercompany Equity Transfers	(15,204,671)	–	15,204,671	–	–
Change in net postretirement benefit obligation	(9,832,133)	–	–	–	(9,832,133)
Increase (decrease) in net assets	$ (19,136,722)	$ (8,376,616)	$ 15,204,671	$ –	$ (12,308,667)

See Independent Auditors' Report

EXHIBIT G

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229033845

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 By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
TUOMEY

Doing Business As
TUOMEY HEALTHCARE SYSTEM

Number and street (or P O box if mail is not delivered to street address) 129 NORTH WASHINGTON STREET

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
SUMTER, SC 29150

D Employer identification number
57-0343398

E Telephone number
(803) 774-8616

G Gross receipts $ 206,217,276

F Name and address of principal officer
MICHELLE LOGAN-OWENS
129 NORTH WASHINGTON STREET
SUMTER, SC 29150

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 TUOMEY COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1914

M State of legal domicile SC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATION OF NONPROFIT HEALTHCARE FACILITY IN SUMTER, SC

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1,980
6	Total number of volunteers (estimate if necessary)	6	256
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	194,394,421	196,305,778
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,388,714	6,922,144
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,048,464	2,989,354
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	200,831,599	206,217,276
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	88,829,868	85,016,465
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶255,167		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	113,112,001	117,128,617
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	201,941,869	202,145,082
19	Revenue less expenses Subtract line 18 from line 12	-1,110,270	4,072,194

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	260,048,671	219,666,499
21	Total liabilities (Part X, line 26)	144,052,098	132,936,181
22	Net assets or fund balances Subtract line 21 from line 20	115,996,573	86,730,318

Net Assets or Fund Balances

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 — 2015-08-17 Date

MICHELLE LOGAN-OWENS CEO Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
AMY BIBBY				P00445891

Firm's name ▶ DIXON HUGHES GOODMAN LLP — Firm's EIN ▶ 56-0747981

Firm's address ▶ 500 RIDGEFIELD COURT ASHEVILLE, NC 28806 — Phone no (828) 254-2254

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

PLAINTIFF'S EXHIBIT G

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

THE MISSION OF TUOMEY HEALTHCARE SYSTEM IS TO PROMOTE GOOD HEALTH AND WELL-BEING AND TO PROVIDE EXCELLENT HEALTHCARE FOR EVERYONE IN SUMTER AND SURROUNDING COUNTIES

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 $ 183,192,393 including grants of $ 0) (Revenue $ 196,305,778)

TUOMEY HEALTHCARE SYSTEMS IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS THE PROMOTION OF HEALTH HAS BEEN ESTABLISHED AS A CHARITABLE PURPOSE UNDER INTERNAL REVENUE CODE (IRC) SECTION 501 (C) (3) REV RUL 69-545, 1969-2 C B 94, SETS FOR THE FACTORS THE INTERNAL REVENUE SERVICE HAS CONSIDERED WHEN IT DETERMINED WHETHER A NON-PROFIT HOSPITAL QUALIFIED FOR TAX-EXEMPT STATUS TUOMEY HAS OPERATED ITS FACILITIES IN A MANNER DESCRIBED BY REV RUL 69-545, SUPRA THE BOARD OF TRUSTEES IS COMPRISED OF INDEPENDENT CIVIC LEADERS AN OPEN MEDICAL STAFF IS MAINTAINED BY TUOMEY, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS ALSO, TUOMEY OPERATED A FULL-TIME EMERGENCY ROOM OPEN TO ANYONE WITHOUT THE ABILITY TO PAY AND PROVIDES NON-EMERGENCY MEDICAL SERVICES TO ANYONE WITH THE ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT DURING THE YEAR, TUOMEY PROVIDED 66,026 ADULT PATIENT DAYS, 1,341 BIRTHS, 3,785 NURSERY PATIENT DAYS, 58,849 ER VISITS AND 40,309 OTHER OUTPATIENT VISITS IT ALSO PROVIDED $34 MILLION WORTH OF CHARITY CARE

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 ▶** 183,192,393

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38		2013 Form 990 THS 004

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
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	247		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,980		
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		No
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		
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 Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
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 and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the 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?		12a		
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		

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

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 8		
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?	2		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? . . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . .	5		No
6	Did the organization have members or stockholders?	6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following .			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	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*	9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 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)

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, physical address, and telephone number of the person who possesses the books and records of the organization

▶LYNWOOD WHITE CFO, 129 N WASHINGTON STREET
SUMTER, SC 29150 (803)774-8616

2013 Form 990 THS 006

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN BRABHAM CHAIRMAN	1 00	X		X				0	0	0
(2) ROY CREECH VICE-CHAIRMAN	1 00	X		X				0	0	0
(3) KAY RAFFIELD PHD VICE-CHAIRMAN	1 00	X		X				0	0	0
(4) MITCHELL WILLIAMS TREASURER	1 00	X		X				0	0	0
(5) NICOLE NORRIS SECRETARY	1 00	X		X				0	0	0
(6) CHALMERS GLENN BOARD MEMBER	1 00	X						0	0	0
(7) PHIL PALMER BOARD MEMBER	1 00	X						0	0	0
(8) CYNTHIA REESE MD CHIEF OF MEDICAL STAFF	1 00	X						0	0	0
(9) ANSEL MCFADDIN MD BOARD MEMBER	1 00	X						0	0	0
(10) SAMUEL RIDDLE MD BOARD MEMBER	1 00	X						0	0	0
(11) MARK M.CRABBE MD BOARD MEMBER	1 00 39 00	X						0	668,292	19,660
(12) MICHEAL SCHWARTZ CEO/PRESIDENT (BEG DEC 13)	34 00 6 00	X		X				0	0	0
(13) R JAY COX. CEO/PRESIDENT (END OCT 13)	34 00 6 00	X		X				1,462,479	0	22,711
(14) J GREGG MARTIN CFO/VICE-PRESIDENT	34 00 6 00			X				434,356	0	14,199
(15) MARK LOVELL CFO/VICE-PRESIDENT (END DEC 13)	34 00 6 00			X				273,435	0	19,205
(16) GENE F DICKERSON MD VP OF MEDICAL AFFAIRS	40 00				X			562,833	0	20,654
(17) WILLIAM RENWICK VP	40 00				X			228,052	0	5,783

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MICHELLE LOGAN-OWENS VP	40.00				X			188,257	0	3,671
(19) TERESA M CARLTON CNO/VICE-PRESIDENT	40.00				X			188,257	0	21,251
(20) TEXIN LI PHYSICIST	40.00					X		212,033	0	21,725
(21) ROBERTO LAGARDE CRNA	40.00					X		179,149	0	18,920
(22) JUDY LYNN ROBERTS CRNA	40.00					X		191,907	0	16,594
(23) ETNA C GRIFFIN CRNA	40.00					X		174,999	0	4,615
(24) SHERRI J BABB CRNA	40.00					X		178,549	0	16,893
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								4,274,306	668,292	205,891

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶33

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensaton
NDS EMERGENCY PHYSICIANS PA 129 NORTH WASHINGTON ST SUMTER SC 29150	MEDICAL SERVICES	6,589,526
CAL DOCTOR ASSOCIATES INC PO BOX 277185 ATLANTA GA 303847185	MEDICAL SERVICES	2,445,313
REHABCARE GROUP PO BOX 502096 ST LOUIS MO 63150	MEDICAL SERVICES	1,495,725
HORTY SPRINGER & MATTERN 4614 FIFTH AVE PITTSBURGH PA 15213	LEGAL SERVICES	1,201,309
E BART DANIEL SEVEN STATE STREET CHARLESTON SC 29402	LEGAL SERVICES	1,175,835

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶24

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	Total. Add lines 1a-1f ▶				
Program Service Revenue		Business Code				
	2a	NET PROGRAM SERVICE REVENUE 621400	184,697,455	184,697,455		
	b	DISPROPORTIONATE SHARE POOL 900099	6,569,399	6,569,399		
	c	MEANINGFUL USE REVENUE 900099	3,265,961	3,265,961		
	d	ANCILLARY SERVICES 900099	1,772,963	1,772,963		
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f ▶	196,305,778			
	3	Investment income (including dividends, interest, and other similar amounts) ▶	860,315			860,315
	4	Income from investment of tax-exempt bond proceeds ▶	-14,340			-14,340
	5	Royalties ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents 1,266,080				
	b	Less rental expenses 0				
	c	Rental income or (loss) 1,266,080				
	d	Net rental income or (loss) ▶	1,266,080			1,266,080
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 6,071,583 / 4,586				
	b	Less cost or other basis and sales expenses 0 / 0				
	c	Gain or (loss) 6,071,583 / 4,586				
	d	Net gain or (loss) ▶	6,076,169			6,076,169
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events ▶				
	9a	Gross income from gaming activities See Part IV, line 19 a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶				
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory ▶				
		Miscellaneous Revenue / Business Code				
	11a	CAFETERIA & VENDING 722210	1,171,288			1,171,288
	b	AFFILIATE MANAGEMENT 561000	135,600			135,600
	c	MEDICAL RECORD TRANSC 900099	113,565			113,565
	d	All other revenue	302,821			302,821
	e	Total. Add lines 11a-11d ▶	1,723,274			
	12	Total revenue. See Instructions ▶	206,217,276	196,305,778		1,723,274

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,226,386	1,113,193	1,113,193	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	271,153	271,153		
7 Other salaries and wages	66,370,872	61,251,139	4,913,518	206,215
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,629,819	1,482,313	142,626	4,880
9 Other employee benefits	9,655,138	8,781,301	844,926	28,911
10 Payroll taxes	4,863,097	4,422,963	425,572	14,562
11 Fees for services (non-employees)				
a Management				
b Legal	5,585,112		5,585,112	
c Accounting	149,804		149,804	
d Lobbying	81,240		81,240	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	48,414		48,414	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	21,928,807	18,530,910	3,397,897	
12 Advertising and promotion	558,096	10,619	547,477	
13 Office expenses	14,991,405	13,876,218	1,115,187	
14 Information technology	1,253,208	1,188,194	65,014	
15 Royalties				
16 Occupancy	2,934,255	2,934,255		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,986,359	3,986,359		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,628,443	11,628,443		
23 Insurance	1,781,108	1,781,108		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	28,357,535	28,357,535		
b BAD DEBT EXPENSE	18,685,153	18,685,153		
c HOSPITAL TAX	4,888,440	4,888,440		
d MISCELLANEOUS EXPENSES	271,238	3,097	267,542	599
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	202,145,082	183,192,393	18,697,522	255,167
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 ▶ ☐ if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet
Check if Schedule O contains a response or note to any line in this Part X

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		5,938,408	1	12,304,938
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		31,492,562	4	27,630,086
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		4,985,828	8	4,029,603
	9	Prepaid expenses and deferred charges		6,391,922	9	4,665,737
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 163,516,384			
	b	Less accumulated depreciation	10b 81,626,439	89,684,229	10c	81,889,945
	11	Investments—publicly traded securities		90,120,984	11	42,470,277
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		31,434,738	15	46,675,913
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		260,048,671	16	219,666,499
Liabilities	17	Accounts payable and accrued expenses		54,816,403	17	47,726,775
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		88,739,614	20	85,209,406
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		496,081	25	0
	26	**Total liabilities.** Add lines 17 through 25		144,052,098	26	132,936,181
Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		110,955,430	27	76,902,591
	28	Temporarily restricted net assets			28	1,811,011
	29	Permanently restricted net assets		5,041,143	29	8,016,716
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		115,996,573	33	86,730,318
	34	Total liabilities and net assets/fund balances		260,048,671	34	219,666,499

Part XI Reconciliation of Net Assets

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

1 Total revenue (must equal Part VIII, column (A), line 12)	1	206,217,276
2 Total expenses (must equal Part IX, column (A), line 25)	2	202,145,082
3 Revenue less expenses Subtract line 2 from line 1	3	4,072,194
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	115,996,573
5 Net unrealized gains (losses) on investments	5	-2,596,754
6 Donated services and use of facilities	6	
7 Investment expenses	7	
8 Prior period adjustments	8	
9 Other changes in net assets or fund balances (explain in Schedule O)	9	-30,741,695
10 Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	86,730,318

Part XII Financial Statements and Reporting

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

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

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OMB No 1545-0047

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. ▶ See separate instructions.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
TUOMEY

Employer identification number
57-0343398

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 11, 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)

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 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)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14

15 Public support percentage for 2012 Schedule A, Part II, line 14 15

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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 IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶

b **10%-facts-and-circumstances test—2012.** 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 IV 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 ▶

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Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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 **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test	
Return Reference	Explanation

0895

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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.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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If the organization answered "Yes" to 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" to 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" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
TUOMEY	57-0343398

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

2 Political expenditures ▶ $

3 Volunteer hours

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

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-

For Paperwork Reduction Act Notice, see the instructions for Form 990 or 990-EZ. Cat No 50084S Schedule C (Form 990 or 990-EZ) 2013

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		
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	

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

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 instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

0897

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 to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities?	Yes		14,430
j Total Add lines 1c through 1i			14,430
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

Return Reference	Explanation
PART II-B, LINE 1	THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE SOUTH CAROLINA HOSPITAL ASSOCIATION (SCHA) THESE ORGANIZATIONS ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBERSHIP BODIES, AND EACH YEAR A PORTION OF THE DUES PAID ARE ALLOCATED TO LOBBYING EXPENDITURES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

0899

2013 Form 990 THS 020

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
TUOMEY	57-0343398

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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 Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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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" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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" to Form 990, Part IV, line 10.

		(a)Current year	(b)Prior year	(c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance	6,450,959	6,124,048	5,523,695	5,647,997	5,341,581
b	Contributions					
c	Net investment earnings, gains, and losses	3,451,768	401,911	675,353	-49,302	381,416
d	Grants or scholarships					
e	Other expenditures for facilities and programs	75,000	75,000	75,000	75,000	75,000
f	Administrative expenses					
g	End of year balance	9,827,727	6,450,959	6,124,048	5,523,695	5,647,997

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 81 570 %
- c Temporarily restricted endowment ▶ 18 430 %

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

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,419,642		9,419,642
b Buildings		43,022,238	16,987,321	26,034,917
c Leasehold improvements		580,036	415,872	164,164
d Equipment		109,463,299	64,223,246	45,240,053
e Other		1,031,169		1,031,169
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)*				1,031,169

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

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

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

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

(a) Description	(b) Book value
(1) ESTIMATED THIRD PARTY PAYOR	4,178,616
(2) LEGAL RETAINER DEPOSIT	42,497,297
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* ▶	46,675,913

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	

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' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	145,155,603
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-3,268,124		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	5,802,260		
e	Add lines 2a through 2d			2e	2,534,136
3	Subtract line 2e from line 1			3	142,621,467
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	63,595,809		
c	Add lines 4a and 4b			4c	63,595,809
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)			5	206,217,276

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	182,810,740
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	-285,890		
e	Add lines 2a through 2d			2e	285,890
3	Subtract line 2e from line 1			3	182,524,850
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	19,620,232		
c	Add lines 4a and 4b			4c	19,620,232
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	202,145,082

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
PART V, LINE 4	THE EARNINGS OF THE ENDOWMENT FUND ARE DIRECTED TO THE BOARD'S DISCRETION FOR THE PAST FIVE YEARS, THE EARNINGS HAVE BEEN USED TO FUND THE HOSPITAL'S HEALTH REACH PROGRAM
PART X, LINE 2	THE MEDICAL CENTER (TUOMEY) IS EXEMPT FROM INCOME TAX UNDER SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE,ACCORDINGLY, THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR FEDERAL AND STATE INCOME TAXES THE SYSTEM HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2014 FISCAL YEARS ENDING ON OR AFTER SEPTEMBER 30, 2011 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN NET PENSION OBLIGATION 5,551,773 TIMOTHY J TUOMEY TRUST REVENUES 250,487
PART XI, LINE 4B - OTHER ADJUSTMENTS	EXPENSES IN REVENUES 935,079 BAD DEBT EXPENSE 18,685,153 OTHER CHANGE IN NET ASSETS 43,975,577
PART XII, LINE 2D - OTHER ADJUSTMENTS	TIMOTHY J TUOMEY TRUST EXPENSES 285,890
PART XII, LINE 4B - OTHER ADJUSTMENTS	BAD DEBT EXPENSE 18,685,153 EXPENSES IN REVENUES 935,079

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

0904

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			14,977,799	8,392,304	6,585,495	3 260 %
b Medicaid (from Worksheet 3, column a)			29,684,125	24,617,469	5,066,656	2 510 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			44,661,924	33,009,773	11,652,151	5 770 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			347,270		347,270	0 170 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			40,350		40,350	0 020 %
j Total. Other Benefits			387,620		387,620	0 190 %
k Total. Add lines 7d and 7j			45,049,544	33,009,773	12,039,771	5 960 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development	1		32,900		32,900	0 020 %
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development	1		389,116		389,116	0 190 %
9 Other						
10 Total	2		422,016		422,016	0 210 %

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
Section A. Bad Debt Expense				
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	11,848,281		
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	3,171,342		
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	57,307,908		
Enter Medicare allowable costs of care relating to payments on line 5	6	63,090,576		
Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-5,782,668		
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				
☐ Cost accounting system ☑ Cost to charge ratio ☐ Other				
Section C. Collection Practices				
9a Did the organization have a written debt collection policy during the tax year?	9a	Yes		
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes		

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

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

2013 Form 990 THS 027

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	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
See Additional Data Table										

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Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group TUOMEY REGIONAL MEDICAL CENTER

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2013			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		No
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url): SEE DISCLOSURE			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

		Yes	No
Financial Assistance Policy			
9 Did the hospital facility have in place during the tax year a written financial assistance policy that explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	12	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	Yes	

If "No," indicate why

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

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

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

- a ☑ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☐ Other (describe in Part VI)

21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?		No
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?		No

If "Yes," explain in Part VI

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Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

0911

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 2

	Name and address	Type of Facility (describe)
1	CANCER TREATMENT CENTER 130 N WASHINGTON STREET SUMTER, SC 29150	RADIATION/CHEMOTHERAPY CENTER
2	TUOMEY MEDICAL PARK ALICE DR WESTMONT BLVD SUMTER, SC 29150	OUTPATIENT IMAGING, REHAB, OTHER
3		
4		
5		
6		
7		
8		
9		
10		

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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

Form and Line Reference	Explanation
PART I, LINE 7	THE ORGANIZATION UTILIZED THE IRS WORKSHEETS TO DETERMINE THE COST TO CHARGE RATIO

0913

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	ECONOMIC DEVELOPMENT - SUMTER SMARTER GROWTH INITIATIVE IS A SUMTER ECONOMIC DEVELOPMENT DONATION MADE TO ASSIST IN SUMTER DEVELOPMENT BOARD'S EFFORTS AT RECRUITING INSUDTRY, MARKETING THE SUMNTER COMMUNITY AND DEVELOPING SUMTER COUNTY'S INDUSTRIAL DEVELOPMENT PRODUCTS WORKFORCE DEVELOPMENT - TUOMEY WORKS TO RECRUIT PHYSICIANS THAT WILL MEET THE HEALTHCARE NEEDS OF THE COMMUNITY

0914

Form and Line Reference	Explanation
PART III, LINE 4	ALTHOUGH NOT DESCRIBED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS, THE PRACTICE OF THE HOSPITAL IS TO RECORD BAD DEBT EXPENSE AT THE UNPAID BALANCES AFTER CONTRACTUAL DISCOUNTS FOR PATIENT'S WITH INSURANCE AND AT THE 65% DISCOUNTED CHARGE LEVEL FOR THOSE WHO DO NOT HAVE INSURANCE THE HOSPITAL NEGOTIATES WITH PAYERS TO COME UP WITH A FAIR DISCOUNTED RATE TO BE PAID FOR SERVICES RENDERED THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBT EXPENSES SIMILARLY FOR PATIENTS WITHOUT ANY INSURANCE, THE HOSPITAL OFFERS SEVERAL DIFFERENT DISCOUNT PROGRAMS, BASED UPON FINANCIAL NEED, TO THESE PATIENTS AND ONCE AGAIN THESE DISCOUNTS ARE NOT RECORDED AS BAD DEBTS FOR PATIENTS WHO DO NOT MEET OR DO NOT FOLLOW-THROUGH TO DEMONSTRATE FINANCIAL HARDSHIP, THE HOSPITAL DOES EXPECT TO BE REIMBURSED AT 65% OF ITS CHARGES ALL OF THE REMAINING BALANCES THAT ARE NOT PAID ARE RECORDED AS BAD DEBTS THE HOSPITAL HAS COSTED THE BAD DEBTS EXPENSE IN LINE 2 OF THIS SECTION AT THE FULL UNPAID CONTRACTED RATE FOR PATIENTS WITH INSURANCE AS THIS REPRESENTS THE "CONTRACTED COST" FOR THE SERVICE AND THUS NOT APPLICABLE TO AN OVERALL COST-TO-CHARGE RATIO FOR PATIENS WITH NO INSURANCE, THE COST ON LINE 2 REPRESENTS THE 65% OF CHARGE FIGURES MULTIPLIED BY THE OVERALL COST-TO-CHARGE RATIO FROM THE AUDITED FINANCIAL STATEMENTS THE CRITERIA THE HOSPITAL USES FOR DISTINGUISHING BETWEEN CHARITY CARE AND BAD DEBT IS THAT IN ORDER FOR A PATIENT TO QUALIFY AS CHARITY CARE, THEY MUST SHARE THEIR FINANCIAL INFORMATION AND SHOW THAT THEY FALL WITHIN THE FEDERAL POVERTY GUIDELINES THUS THE HOSPITAL BELIEVES THAT 50% OF THE FIGURE RECORDED AS BAD DEBT EXPENSE ON LINE 2 WOULD QUALIFY FOR CHARITY CARE IF THE PATIENTS HAD SHARED THEIR FINANCIAL INFORMATION THIS PERCENTAGE WAS DERRIVED FROM DEMOGRAPHIC STUDIES OF THE COMMUNITY FOR FAMILIES FALLING BELOW THE HOSPITAL'S CHARITY CARE GUIDELINES, WHICH ARE BASED ON THE FEDERAL POVERTY GUIDELINES, IN THE MARKET AREA

0915

Form and Line Reference	Explanation
PART III, LINE 8	THE ORGANIZATION UTILIZED A COST-TO-CHARGE RATIO IN DETERIMINING THE COSTING FOR THIS SECTION

0916

Form and Line Reference	Explanation
PART III, LINE 9B	ALL SELF PAY PATIENTS ARE INFORMED ABOUT OUR FINANCIAL ASSISTANCE PROGRAM AND ARE GIVEN THE OPPORTUNITY TO COMPLETE THE APPLICATION. OTHERWISE, PRIOR TO THE PROCEDURE, AN ATTEMPT IS MADE TO COLLECT A PORTION OF THE COST OF THE PROCEDURE BASED ON AN GOOD FAITH ESTIMATE. AFTER THE PROCEDURE, THE HOSPITAL WILL SEND OUT ONE STATEMENT WITH THE AMOUNT OWED BY THE PATIENT. AFTER THIS STATEMENT, THE ACCOUNT IS TURNED OVER TO OUR IN-HOUSE SP COLLECTIONS DEPARTMENT. THEY CALL THE PATIENT TO DISCUSS PAYMENT TERMS AND OUR FA PROGRAM AND IF THE PATIENT HAS A 3RD PARTY PAYER. AFTER 120 DAYS, THE ACCOUNT IS THEN TURNED OVER TO OUR 3RD PARTY COLLECTOR. THE COLLECTOR WILL CALL AND SEND STATEMENTS IN AN ATTEMPT TO COLLECT THE FUNDS. AFTER 120 DAYS FROM PLACEMENT, AND THERE HAS BEEN NO ACTIVITY, THE ACCOUNT IS RETURNED TO THE HOSPITAL AND THE ACCOUNT IS WRITTEN OFF.

0917

Form and Line Reference	Explanation
PART VI, LINE 2	TUOMEY PROCURES AN ANNUAL ASSESSMENT IN REGARDS TO DETERMINING THE PHYSICIAN NEEDS OF THE SUMTER COMMUNITY TUOMEY STRIVES TO MAKE IT UNNECESSARY AND UNREASONABLE FOR ANYONE TO GO OUTSIDE OF THE COMMUNITY TO OBTAIN HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A QUALITY, COST EFFECTIVE MANNER

0918

Form and Line Reference	Explanation
PART VI, LINE 3	PER TUOMEY POLICY, PUBLIC NOTICE OF THE AVAILABILITY OF ASSISTANCE IS PROVIDED THROUGH THE POSTING OF NOTICES IN LOCATIONS OF HIGH VOLUME SUCH AS INPATIENT/OUTPATIENT ADMITTING/REGISTRATION, ER, BILLING OFFICES, ADMITTING OFFICES AND HOSPITAL OUTPATIENT SERVICE SETTINGS IN ADDITION, NOTICE OF THE AVAILABILITY OF ASSISTANCE AND CONTACT INFORMATION IS LOCATED ON THE HOSPITAL WEBSITE PATIENT LIABILITY STATEMENTS SENT TO PATIENTS ALSO INCLUDE LANGUAGE INDICATING THE PATIENT MAY BE ELIGIBLE FOR ASSISTANCE IF THEY MEET CERTAIN INCOME REQUIREMENTS

0919

Form and Line Reference	Explanation
PART VI, LINE 4	SUMTER COUNTY IS HOME TO 107,500 RESIDENTS, WITH 18 3% OF THESE RESIDENTS AT OR BELOW THE POVERTY LEVEL SUMTER'S RACIAL DEMOGRAPHICS ARE COMPRISED OF 49 4% WHITE, 47% BLACK, 1 2% ASIAN, AND 4 6% OTHER THE MEDIAN INCOME FOR A SUMTER HOUSEHOLD IS $29,915 CURRENTLY, SUMTER'S UNEMPLOYMENT RATE EQUALS 10 2% SUMTER HAS A MILITARY BASE WHICH HOUSES US AIR FORCE AND US ARMY TROOPS

0920

Form and Line Reference	Explanation
PART VI, LINE 5	TUOMEY HEALTHCARE SYSTEM IS A 301 BED ACUTE CARE FACILITY LOCATED IN SUMTER, SOUTH CAROLINA TUOMEY WAS ESTABLISHED AS A NON-PROFIT ACUTE CARE HOSPITAL TO ADVANCE OR SUPPORT THE PROVISIONS OF HEALTHCARE SERVICES WITHIN THE SUMTER COMMUNITY TUOMEY'S MAIN OBJECTIVE IS THE PROMOTION OF HEALTH FOR ALL RESIDENTS OF SUMTER AND ITS OUTLYING AREAS THE ORGANIZATION UTILIZES SURPLUS FUNDS TO MAKE IT NOT ONLY UNNECESSARY, BUT UNREASONABLE FOR ANYONE TO GO ELSEWHERE FOR HEALTHCARE SERVICES THAT WE CAN PROVIDE IN A HIGH-QUALITY, COST-EFFECTIVE MANNER A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA AND ARE NOT EMPLOYEES, FAMILY MEMBERS OF EMPLOYEES, OR CONTRACTORS OF THE ORGANIZATION TUOMEY EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL LOCAL PHYSICIANS IN MOST OF OUR DEPARTMENTS

0921

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	SC

0922

Form and Line Reference	Explanation
PART VI LINE 8	TUOMEY DOES NOT COMPLETE ITS OWN FORMAL COMMUNITY BENEFIT REPORT THUS WE DO NOT SEND ANY FORMAL REPORT TO ANY STATE BUT WE DO REPORT OUR RAW DATA TO THE SC HOSPITAL ASSOCIATION'S WEBSITE WHICH THEY USE TO FILE A FORMAL REPORT WITH SC AS A COMBINED REPORT COVERING ALL HOSPITALS IN THE STATE

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Additional Data

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY

990 Schedule H, Supplemental Information

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
TUOMEY REGIONAL MEDICAL CENTER	
TUOMEY REGIONAL MEDICAL CENTER	PART V, SECTION B, LINE 7 A LACK OF IDENTIFIED EFFECTIVE INTERVENTIONS TO ADDRESS THE NEE D AS PREVENTIVE RESPONSES ARE BEST ADDRESSED BY PRIMARY CARE PRACTITIONERS THE NEEDS THAT WERE IDENTIFIED BUT WERE NOT ADDRESSED WERE - OBESITY- HYPERTENSION- AFFORDABLE ACCESS
PART V, SECTION B, LINE 5A	HTTP //WWW TUOMEY COM/SITES/WWW/UPLOADS/FILES/DOWNLOADS/HE ALTH_NEEDS PDF

0924

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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" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?			

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50053T Schedule J (Form 990) 2013

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 in 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 reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

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Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN (457(F)) AND/OR DEFINED BENEFIT PLAN FOR 2013, AS FOLLOWS THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (B)(III) R JAY COX $ 740,877 J GREGG MARTIN 74,784
PART II	MR COX'S COMPENSATION FOR 2013 WAS BASED ON THE SEPARATION AGREEMENT BETWEEN HIMSELF AND TUOMEY AS WELL AS HIS EMPLOYMENT AGREEMENT THAT WAS IN PLACE AT THE TIME OF HIS TERMINATION COMPENSATION RECEIVED IN 2013 INCLUDED BASE PAY, BENEFIT ALLOWANCE (32% OF BASE PAY), 457(F) PLAN DISTRIBUTION, AND ACCRUED PAID TIME OFF BALANCE THE PAY AND BENEFITS PLAN WAS DETERMINED TO BE FAIR MARKET VALUE BASED ON AN THE EXECUTIVE COMPENSATION REVIEW PERFORMED BY INTEGRATED HEALTHCARE STRATEGIES, A CONSULTING FIRM WHICH SPECIALIZES IN SUCH WORK THE 457(F) ACCOUNT BALANCE IN THE COX ACCOUNT WAS THE PORTION OF THE BENEFIT ALLOWANCE PROVIDED OVER THE PREVIOUS FIVE YEARS THAT WAS THE LEFT OVER FROM COX'S ALLOCATION TO ALL OTHER BENEFITS (FICA, HEALTH INSURANCE, SUPPLEMENTAL INSURANCE, ETC)

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Additional Data

Software ID:
Software Version:
EIN: 57-0343398
Name: TUOMEY

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MARK M CRABBE MD BOARD MEMBER	(i) (ii)	0 343,949	0 307,343	0 17,000	0 5,100	0 14,560	0 687,952	0 0
R JAY COX CEO/PRESIDENT (END OCT 13)	(i) (ii)	549,500 0	0 0	912,979 0	5,100 0	17,611 0	1,485,190 0	467,266 0
J GREGG MARTIN COO/VICE-PRESIDENT	(i) (ii)	338,500 0	0 0	95,856 0	5,100 0	9,099 0	448,555 0	0 0
MARK LOVELL CFO/VICE-PRESIDENT (END DEC 13)	(i) (ii)	241,613 0	0 0	31,822 0	4,832 0	14,373 0	292,640 0	0 0
GENE F DICKERSON MD VP OF MEDICAL AFFAIRS	(i) (ii)	332,405 0	0 0	230,428 0	5,100 0	15,554 0	583,487 0	0 0
WILLIAM RENWICK VP	(i) (ii)	174,165 0	0 0	53,887 0	3,733 0	2,060 0	233,845 0	0 0
MICHELLE LOGAN-OWENS VP	(i) (ii)	171,213 0	0 0	17,044 0	3,423 0	248 0	191,928 0	0 0
TERESA M CARLTON CNO/VICE-PRESIDENT	(i) (ii)	171,213 0	0 0	17,044 0	3,855 0	17,396 0	209,508 0	0 0
TEXIN LI PHYSICIST	(i) (ii)	212,033 0	0 0	0 0	4,241 0	17,484 0	233,758 0	0 0
ROBERTO LAGARDE CRNA	(i) (ii)	167,874 0	11,275 0	0 0	3,583 0	15,337 0	198,069 0	0 0
JUDY LYNN ROBERTS CRNA	(i) (ii)	191,907 0	0 0	0 0	3,838 0	12,756 0	208,501 0	0 0
ETNA C GRIFFIN CRNA	(i) (ii)	168,374 0	6,625 0	0 0	3,500 0	1,115 0	179,614 0	0 0
SHERRI J BABB CRNA	(i) (ii)	168,274 0	10,275 0	0 0	3,571 0	13,322 0	195,442 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1[illegible]-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703EKE4	01-12-2006	76,542,284	SEE PART VI		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT AUTHORITY	57-0960018	83703FBT8	12-01-2008	16,440,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	27,145,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	76,542,284	16,440,000		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds		240,000		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	36,255,000	16,200,000		
12	Other unspent proceeds				
13	Year of substantial completion	2007	1995		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

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Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

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Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART I, COLUMN (F), DESCRIPTION OF PURPOSE,	BOND (A) - THE PROJECT CONSISTS OF THE EXPANSION OF THE PATIENT TOWER TO INCLUDE 35 ADDITIONAL BEDS AT AN ESTIMATED COST OF $30,000,000 SIGNIFICANT ASPECTS OF THE PROJECT INCLUDED THE TUOMEY WOMEN'S CENTER, THE TUOMEY HEALTHCARE SYSTEM NURSERIES, AND EXPANDED INPATIENT CAPACITY OF 22 PRIVATE INPATIENT ROOMS THROUGH A RELOCATION OF CERTAIN DEPARTMENTS BOND (B) - NET PROCEEDS FROM THE SALE OF THE BONDS WERE APPLIED TO THE PAYMENT UPON REDEMPTION OF THE SERIES 1995B VARIABLE RATE BONDS

Return Reference	Explanation
SCHEDULE K, PART II, LINE 11, OTHER SPENT PROCEEDS	AMOUNTS ON LINE 11 REPRESENT BOND PROCEEDS USED TO REFUND PRIOR ISSUES DATED AS FOLLOWS BOND (A) - $ 36,255,000 SERIES 1995A, REFUNDED ON FEBRUARY 16, 2006 BOND (B) - $ 16,200,000 SERIES 1995B, REFUNDED ON DECEMBER 1, 2008

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Return Reference	Explanation
SCHEDULE K, PART III,	BOND (B) WAS USED TO CURRENTLY REFUND AN ISSUE DATED BEFORE JANUARY 1, 2003, THEREFORE, PART III OF SCHEDULE K IS NOT APPLICABLE TO THIS BOND

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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. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) 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	(d) Corrected? 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? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
Total		▶ $										

Part III Grants or Assistance Benefitting 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

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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	(e) Sharing of organization's revenues? No
(1) JOSEPH DURANT	FAMILY RELATIONSHIP WITH BOARD MEMBER KAY RAFFIELD	51,112	COMPENSATION AS EMPLOYEE		No
(2) SYLVESTER L OWENS	FAMILY RELATIONSHIP WITH BOARD MEMBER MICHELLE LOGAN-OWNES	88,615	COMPENSATION AS EMPLOYEE		No
(3) CHERLY MARTIN	FAMILY RELATIONSHIP WITH OFFICER GREGG MARTIN	131,426	COMPENSATION AS EMPLOYEE		No

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

Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ **Attach to Form 990 or 990-EZ.**
▶ **Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	EACH YEAR THE CORPORATE COMPLIANCE OFFICER DISTRIBUTES A CONFLICT OF INTEREST POLICY QUEST IONNAIRE REQUIRING ALL PERSONS MANAGER AND ABOVE TO DISCLOSE ANY POSSIBLE CONFLICT OF INTE REST OFFICERS, KEY EMPLOYEES, AND TRUSTEES OF THE BOARD COMPLETE THIS QUESTIONNAIRE. BEFO RE MAJOR VOTES AND DECISIONS, THE POLICY IS CONSIDERED AND ANY MEMBER WITH A CONFLICT IS E XCUSED FROM THE DISCUSSION OR VOTE. DOCUMENTATION OF THE CONSIDERATION IS KEPT IN THE MINU TES
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE BOARD USES NATIONAL SALARY SURVEYS TO ASSURE THAT COMPEN SATION IS BOTH COMPETITIVE AND FAIR. THIS IS DONE FOR ALL EMPLOYEES AND MANAGEMENT ON AN AN NUAL BASIS
FORM 990, PART VI, SECTION C, LINE 18	PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIV E OFFICE. IN ADDITION, RECENT FILING OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW GUIDESTAR ORG
FORM 990, PART VI, SECTION C, LINE 19	PHOTOCOPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FI NANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE
FORM 990, PART IX, LINE 11G	OTHER FEES PROGRAM SERVICE EXPENSES 18,530,910. MANAGEMENT AND GENERAL EXPENSES 3,397,897. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 21,928,807
FORM 990, PART XI, LINE 9	CHANGE IN PENSION OBLIGATION 5,551,773. INTERCOMPANY EQUITY TRANSFER -43,975,577. EQUITY TRANSFER FROM TIMOTHY J TUOMEY TRUST 7,682,109.

0936

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 154[illegible]47

2013

Open to Public Inspection

Name of the organization
TUOMEY

Employer identification number
57-0343398

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE TUOMEY FOUNDATION 115 N SUMTER ST SUITE 120 SUMTER, SC 29150 57-1041691	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	
(2) TUOMEY MEDICAL PROFESSIONALS INC 129 NORTH WASHINGTON ST SUMTER, SC 29150 57-1012488	HEALTHCARE	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	
(3) TIMOTHY J TUOMEY TRUST 129 NORTH WASHINGTON ST SUMTER, SC 29150 23-7127466	SUPPORT AND FUNDRAISING	SC	501(C)(3)	LINE 11A, I	TUOMEY HEALTHCARE SYSTEM	Yes	

2013 Form 990 THS 058

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TUOMEY PROFESSIONAL SERVICES LLC 129 NORTH WASHINGTON ST SUMTER, SC 29150 20-1691464	HEALTH CARE SERVICES	SC	TUOMEY	C			100 000 %	Yes	

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) THE TUOMEY FOUNDATION	C	325,462	CASH
(2) TUOMEY MEDICAL PROFESSIONALS	K	146,900	CASH

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

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Part VII Supplemental Information

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

Return Reference	Explanation

0941

2013 Form 990 THS 062

Tuomey and Affiliate
D/B/A Tuomey
Healthcare System

Consolidated Financial Statements as of and for the
Years Ended September 30, 2014 and 2013, and
Independent Auditors' Report

DHG

2013 Form 990 THS 063

TUOMEY AND AFFILIATE
d/b/a Tuomey Healthcare System

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DHG

Independent Auditors' Report

Board of Trustees
Tuomey and Affiliate d/b/a Tuomey Healthcare System
Sumter, South Carolina

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Tuomey and Affiliate d/b/a Tuomey Healthcare System (the "System"), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tuomey and Affiliate d/b/a Tuomey Healthcare System as of September 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

DHG

Restatement
As discussed in Note 17 to the consolidated financial statements, the 2013 consolidated financial statements have been restated to correct a misstatement Our opinion is not modified with respect to this matter

Uncertainty Regarding Going Concern
The accompanying consolidated financial statements have been prepared assuming that the System will continue as a going concern The System generated deficits of revenues and gains over expenses and losses for the years ended September 30, 2014 and 2013 and negative cash flow from operations for the year ended September 30, 2014 As discussed in Note 6 to the consolidated financial statements, the System was in violation of its debt covenants at September 30, 2014 As a result, the System entered into a forbearance agreement which expires on September 2, 2015 As the debt is callable within a year of the consolidated balance sheet date, it is classified as current and results in a working capital deficiency These conditions raise substantial doubt about the System's ability to continue as a going concern The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty Our opinion is not modified with respect to that matter

Emphasis of Matter
As discussed in Note 12 to the consolidated financial statements, the System is a defendant in a qui tam lawsuit filed against it by a physician on its medical staff on behalf of the United States Government in the United States District Court for the District of South Carolina Our opinion is not modified with respect to this matter

Other Matter
Supplemental Schedules Information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the System taken as a whole The accompanying consolidating balance sheet information and consolidating statement of operations information are presented for purposes of additional analysis, and are not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Dixon Hughes Goodman LLP

June 19, 2015

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets

	September 30 2014	2013 As Restated
Assets		
Current assets		
Cash and cash equivalents	$ 12,683,174	$ 5,959,746
Patient accounts receivable, less allowance for uncollectible accounts of approximately $16,184,000 (2014) and $10,771,000 (2013)	28,186,353	28,557,571
Estimated third-party payor settlements	4,178,616	–
Inventories of drugs and supplies	4,029,603	4,985,828
Prepaid expenses	3,151,110	4,843,073
Other current assets	1,867,871	5,387,884
Assets whose use is limited, required for current liabilities	3,237	3,229
Total current assets	54,099,964	49,737,331
Assets whose use is limited, excluding amounts required for current liabilities	49,313,017	105,357,020
Property, plant, and equipment, net	82,624,421	90,391,986
Deferred charges, net	1,747,867	1,840,372
Other assets	42,497,297	982,307
Total assets	$ 230,282,566	$ 248,309,016

(continued)

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Balance Sheets (continued)

	September 30	
	2014	2013 As Restated
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 12,292,222	$ 10,428,042
Accrued salaries, wages, and other current liabilities	10,821,633	10,920,857
Estimated third-party payor settlements	–	496,081
Current portion of accrued pension and postretirement benefit obligation	161,600	214,800
Interest payable	1,586,040	1,658,749
Current portion of long-term debt	85,209,406	3,490,000
Total current liabilities	110,070,901	27,208,529
Long-term debt, less current portion	–	85,249,614
Accrued pension and postretirement benefit obligation, less current portion	23,121,297	30,800,552
Other long-term liabilities	1,790,000	1,790,000
Total liabilities	134,982,198	145,048,695
Net assets		
Unrestricted	85,472,641	93,833,789
Temporarily restricted	1,811,011	1,409,816
Permanently restricted	8,016,716	8,016,716
Total net assets	95,300,368	103,260,321
Total liabilities and net assets	$ 230,282,566	$ 248,309,016

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2014	2013 As Restated
Unrestricted revenues and other support		
Patient service revenue (net of contractuals, adjustments and discounts)	$ 205,730,110	$ 202,657,218
Provision for bad debts	(20,081,537)	(12,983,581)
Net patient service revenue	185,648,573	189,673,637
Other operating revenue	5,523,113	7,642,387
Total unrestricted revenues and other support	191,171,686	197,316,024
Expenses		
Salaries and wages	83,998,340	87,592,675
Benefits	19,873,885	22,581,854
Physician fees	9,247,607	9,344,529
Other fees	17,480,295	15,858,170
Supplies	32,739,461	31,694,074
Utilities	3,317,555	3,099,785
Repairs and maintenance	7,057,459	6,868,769
Leases and rentals	3,684,522	3,769,285
Insurance	2,774,066	1,890,966
Interest	4,001,014	4,000,180
Depreciation and amortization	11,907,211	12,174,336
Hospital tax	4,885,726	5,215,813
Other	1,572,808	1,646,098
Total expenses	202,539,949	205,736,534
Loss from operations	(11,368,263)	(8,420,510)
Nonoperating gains (losses)		
Net investment income	3,829,820	5,080,735
Other nonoperating income	405,929	273,667
Other nonoperating expense	(5,263,519)	(7,621,805)
Total nonoperating gains (losses)	(1,027,770)	(2,267,403)
Deficit of revenues and gains over expenses and losses	(12,396,033)	(10,687,913)
Change in net postretirement benefit obligation	5,551,773	13,992,568
Other change in net assets	(1,515,888)	–
Increase (decrease) in unrestricted net assets	(8,360,148)	3,304,655
Temporarily restricted net assets		
Net investment income	400,195	326,911
Increase in temporarily restricted net assets	400,195	326,911
Increase (decrease) in net assets	(7,959,953)	3,631,566
Net assets at beginning of year	103,260,321	99,628,755
Net assets at end of year	$ 95,300,368	$ 103,260,321

The accompanying notes are an integral part of these consolidated financial statements

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidated Statements of Cash Flows

	Year Ended September 30 2014	2013
Operating activities		
Increase (decrease) in net assets	$ (7,959,953)	$ 3,631,566
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	11,907,211	12,174,336
Provision for bad debts	20,081,537	12,983,581
Gain on sale and disposal of property, plant, and equipment	(4,586)	(73,494)
Change in net postretirement benefit obligation	(5,551,773)	(13,992,568)
Changes in operating accounts		
Patient accounts receivable	(19,710,319)	(13,175,605)
Estimated third-party payor settlements	(4,674,697)	(924,193)
Inventories of drugs and supplies	956,225	(277,018)
Prepaid expenses and other assets	(36,303,014)	15,282
Accounts payable	1,661,328	3,228,848
Accrued salaries, wages, and other current liabilities	(99,224)	(23,362)
Interest payable	(72,709)	(23,733)
Accrued postretirement benefit obligation	(2,180,682)	(991,351)
Net cash provided by (used in) operating activities	(41,950,656)	2,552,289
Investing activities		
Purchase of property, plant, and equipment	(3,888,109)	(8,383,148)
Proceeds received on sale and disposal of property, plant, and equipment	8,198	73,494
Net changes in assets whose use is limited	56,043,995	11,491,920
Net cash provided by (used in) investing activities	52,164,084	3,182,266
Financing activities		
Repayment of long-term debt	(3,490,000)	(3,325,000)
Net cash used in financing activities	(3,490,000)	(3,325,000)
Increase in cash and cash equivalents	6,723,428	2,409,555
Cash and cash equivalents at beginning of year	5,959,746	3,550,191
Cash and cash equivalents at end of year	$ 12,683,174	$ 5,959,746
Supplemental disclosure of noncash capital and financing activity		
Cash paid for interest during the year	$ 4,073,723	$ 4,064,121
Property, plant, and equipment included in accounts payable	$ 202,852	$ 269,380

The accompanying notes are an integral part of these consolidated financial statements

1 **Significant Accounting Policies**

Organization and Principles of Consolidation - The consolidated financial statements of Tuomey and Affiliate d/b/a Tuomey Healthcare System (the "System") include the accounts of Tuomey, formerly known as Tuomey Regional Medical Center (the "Medical Center"), and its Affiliate, Tuomey Medical Professionals, Inc ("TMP") The Medical Center is a not-for-profit acute care hospital located in Sumter, South Carolina TMP was established by the Medical Center and consists of a group of physician practices that participate in the integrated health care delivery system

All significant intercompany accounts and transactions have been eliminated in consolidation

Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents - Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less when purchased, excluding amounts whose use is limited by Board designation or funds held under trust agreements

The System maintains bank accounts at various financial institutions covered by the Federal Deposit Insurance Corporation ("FDIC") At times throughout the year, the System may maintain bank balances in excess of the FDIC insured limits It is management's opinion that the System is not exposed to any significant credit risk related to cash

Patient Accounts Receivable - Patient accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of patient accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts For patient receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for contractual adjustments For patient receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard charges and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Inventories of Drugs and Supplies - Inventories consisting of drugs and supplies are stated at the lower of cost, determined on the first-in, first-out ("FIFO") method, or market value

Investments - Investments in equity securities with readily determinable fair values, all investments in debt securities, and all pooled investments are measured at fair value in the consolidated balance sheets. The System adopted the provisions of the *Fair Value Option for Financial Assets and Liabilities* As a result, investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law

Assets Whose Use Is Limited - Assets whose use is limited include assets held by trustees under indenture or escrow agreements, designated assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets restricted by a donor Amounts required to meet current liabilities of the System have been reclassified in the consolidated balance sheets and are included in current assets

Property, Plant, and Equipment - Property, plant, and equipment are recorded at cost or, if contributed, at fair value at date of contribution The cost of the depreciable assets is being amortized on the straight-line method over their estimated useful lives Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets

The System periodically assesses the net realizable value of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount For assets to be disposed of or sold, any resulting gains and losses are reported in income from operations

Deferred Charges- Deferred charges consist primarily of bond issuance costs and other receivables

Bond issuance costs are amortized using the effective interest method over the respective lives of the bond issues Accumulated amortization at September 30, 2014 and 2013 was approximately $980,505 and $888,000, respectively

Bond Issue Discounts and Premiums - Bond issue discounts and premiums are amortized using the effective interest rate method over the respective lives of the bond issues Bond issue discounts and premiums are included in long-term debt on the consolidated balance sheets

Net Assets - A substantial portion of the System's net assets are classified as unrestricted for accounting and reporting purposes These resources have no donor restrictions as to use or purpose. These resources include amounts generated from operations, undesignated gifts, and investments in property, plant, and equipment Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by specific actions of the System or the passage of time When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the in the Consolidated Statements of Operations and Changes in Net Assets as net assets released from restriction Permanently restricted net assets that have been restricted by donors are to be maintained by the System in perpetuity

Consolidated Statements of Operations and Changes in Net Assets - For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as revenues and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses Investment income or loss, unrestricted gifts, and bequests are recorded as nonoperating activities

Deficit of Revenues and Gains Over Expenses and Losses - The consolidated statements of operations and changes in net assets include deficit of revenues and gains over expenses and losses which is considered by the System to be its operating indicator Changes in unrestricted net assets which are excluded from deficit of revenues and gains over expenses and losses, consistent with industry practice, include permanent transfers of assets to and from Affiliate, changes in the pension obligation, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

Net Patient Service Revenue - The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of discounted rates On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided

Charity Care - The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue or patient accounts receivable in the accompanying consolidated financial statements The amounts of direct and indirect costs foregone for services and supplies furnished under the System's charity care policy totaled approximately $10,566,000 and $10,763,000 for the years ended September 30, 2014 and 2013, respectively The System uses the cost to charge ratio to estimate the cost of charity care

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated asset When a donor restriction expires (i e , when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

Pension Costs - The System's funding policy is to contribute amounts sufficient to meet the minimum funding requirements as set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"), plus such additional amounts as the System may determine to be appropriate

Functional Expenses - The System does not present expense information by functional classification because its resources and activities are primarily related to providing health care services Further, since the System receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these consolidated financial statements are considered more important in evaluating how well management has discharged its stewardship responsibilities

Income Taxes - The Medical Center and TMP are exempt from income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code, accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes The System has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2014 Fiscal years ending on or after September 30, 2011 remain subject to examination by federal and state tax authorities

Risk Management - The System is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, and natural disasters Commercial insurance coverage is purchased for claims arising from such matters

Reclassification – Certain items in the 2013 financial statements have been reclassified to conform to the 2014 presentation

2 Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare—Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are reimbursed on a prospective payment system, called the Ambulatory Payment Classification System ("APCS") The System's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2011

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed using a payment per discharge system with the case-mix adjustments based on a Diagnosis Related Group ("DRG") system Outpatient Medicaid services are reimbursed at a certain percentage of allowable costs The System is reimbursed at a tentative rate with final settlement determined after it submits its annual Medicaid cost report The System's Medicaid cost reports have been audited by the Medicaid program through September 30, 2007 Additionally, the Medicaid cost report for the year ended September 30, 2010 has been audited by the Medicaid Program

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The bases for payments to the System under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Revenue from the Medicare and Medicaid programs accounted for approximately 71 percent and 60 percent of the System's net patient service revenue, respectively, for the years ended September 30, 2014 and 2013 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term The filed cost reports are subject to audits, reviews, and investigations The 2014 net patient service revenue decreased approximately $12,000 due to changes in the allowances previously estimated for tentative cost report settlements The 2013 net patient service revenue decreased approximately $222,000 due to changes in the allowances previously estimated for tentative cost report settlements

Patient service revenue, net of contractual adjustments and discounts, but before the provision for bad debts, recognized in the period from these major payor sources is as follows for the year ended September 30, 2014

	Third-Party Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual adjustments and discounts)	$ 194,500,986	$ 11,229,124	$ 205,730,110

Contractual adjustments related to Medicare and Medicaid programs and other deductions as well as the provision for bad debts were deducted from gross patient service charges to arrive at net patient service revenue as follows

	2014	2013
Gross patient service charges	$ 650,080,292	$ 625,213,081
Deductions from gross patient service charges		
Medicare and Medicaid contractual adjustments	297,721,413	276,747,845
Other deductions	146,628,769	145,808,018
Provision for bad debts	20,081,537	12,983,581
Total deductions from gross patient service charges	464,431,719	435,539,444
Net patient service revenue	$ 185,648,573	$ 189,673,637

During 2014 and 2013, the System received monies under the Medicaid Disproportionate Share Pool Program (the "Program") Under the Program, the System received payments totaling approximately $6,569,000 and $7,361,000 in 2014 and 2013, respectively These amounts are reflected as a reduction of Medicaid contractual adjustments The revenue received under the Program is determined by state Medicaid guidelines, which are subject to change, thereby causing volatility in the revenue received under the Program Payments of disproportionate share funds in the future may be impacted by Medicaid reform initiatives The Program contains a provision requiring the repayment of disproportionate funds received if the participating hospital is determined to be ineligible

The System recognizes revenue for incentives earned under the HITECH Meaningful Use Electronic Health Records ("EHR") Medicare program in the period in which it is reasonably assured that it will comply with the applicable EHR meaningful use requirements Incentive revenues are recognized ratably over the applicable meaningful use demonstration period Incentive payments received under the Medicare program include a discharge-related portion, which is calculated by the Centers for Medicare & Medicaid Services ("CMS") based on the System's most recently filed cost report Such amounts are subject to adjustment at the time of settling the 12-month cost report for the System's fiscal year that begins after the beginning of the payment year

As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The EHR funding received is subject to CMS audit The results of that audit and settlement could result in a potential payback in future periods

The System achieved compliance with the Year 2 and Year 1 meaningful use requirements under the Medicare program during fiscal years 2014 and 2013, respectively The System recognized other revenues of approximately $2,306,724 and $2,188,000 in the Consolidated Statements of Operations and Changes in Net Assets for the years ended September 30, 2014 and 2013, respectively The System achieved compliance with the Year 2 and Year 1 meaningful use requirements under the Medicaid program during fiscal years 2014 and 2013, respectively The System recognized other revenues of approximately $959,237 and $1,197,000 in the Consolidated Statements of Operations and Changes in Net Assets for the years ended September 30, 2014 and 2013

3 **Property, Plant, and Equipment**

Property, plant, and equipment consist of the following at September 30

	2014	2013
Land	$ 9,419,642	$ 9,419,642
Land improvements	586,789	872,024
Buildings	43,119,299	44,263,023
Building service equipment	67,703,288	83,310,799
Equipment	42,990,787	46,453,858
	163,819,805	184,319,346
Less accumulated depreciation	82,226,553	95,501,363
	81,593,252	88,817,983
Construction in progress	1,031,169	1,574,003
	$ 82,624,421	$ 90,391,986

Depreciation expense for the years ended September 30, 2014 and 2013 was approximately $11,855,000 and $12,082,000, respectively

4 **Assets Whose Use Is Limited**

The composition of assets whose use is limited at September 30 is set forth in the following table

	2014	2013
Board designated		
Common trust funds	$ 17,316,986	$ 73,755,571
Cash and cash equivalents	66,383	32,879
U S treasury bonds and notes	527,655	160,788
U S government agencies	-	131,439
Mutual funds	223,929	185,933
Life insurance annuity	392,763	303,222
Equities	600,282	390,762
Corporate obligations	-	204,793
	$ 19,127,998	$ 75,165,387

Funds held by Trustee		
Cash and cash equivalents	$ 231,595	$ 237,541
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000
U S treasury bonds and notes	5,499,945	5,500,605
	22,171,540	22,178,146
Restricted by donor		
Common trust funds	2,975,573	2,975,573
Cash and cash equivalents	185,084	117,572
U S treasury bonds and notes	1,468,483	574,936
U S government agencies	-	469,993
Mutual funds	623,332	664,849
Life insurance annuity	1,093,296	1,084,243
Equities	1,670,948	1,397,264
Corporate obligations	-	732,286
	8,016,716	8,016,716
	$ 49,316,254	$ 105,360,249

Net investment income is comprised of the following for the years ended September 30

	2014	2013
Interest and dividend income	$ 489,594	$ 748,297
Net realized and unrealized gains on investments	3,089,643	3,366,639
Other investment income	650,778	1,292,710
Net investment income	$ 4,230,015	$ 5,407,646

5 Capital Contribution Campaign

The Tuomey Foundation Board of Governors voted in December 2005 to embark on a two year capital campaign for the creation of a free standing women's center which would expand and enhance the nurseries and increase the number of beds at the System from 266 to 301 The campaign had raised a total of approximately $2,249,224 as of September 30, 2014 At September 30, 2014 and 2013, approximately $267,000 and $592,000, respectively, of pledge receivables was included in other assets on the consolidated balance sheets

6 Long-Term Debt

A summary of long-term debt at September 30 is as follows

	2014	2013
Hospital Revenue Bonds		
Series 2008		
Variable rate bonds maturing 2021 to 2025, bearing interest determined weekly, payable semi-annually	$ 16,440,000	$ 16,440,000
Series 2006		
Term bonds maturing 2005 to 2035, bearing interest from 4 00% to 5 00%, payable semi-annually	47,360,000	50,205,000
Series 1998		
Term bonds maturing 2005 to 2026, bearing interest from 4 30% to 5 00%, payable semi-annually	20,310,000	20,955,000
Add (deduct) unamortized original issue premium/discount		
Series 2006 term bonds	1,479,244	1,552,009
Series 1998 term bonds	(379,838)	(412,395)
Total long-term debt	85,209,406	88,739,614
Less current portion	85,209,406	3,490,000
	$ -	$ 85,249,614

During 1998, the Hospital Revenue Bonds, Series 1998 ("Series 1998") were issued by the South Carolina Jobs-Economic Development Authority The Series 1998 are limited obligations of the South Carolina Jobs-Economic Development Authority and are payable and secured solely from the receipts and revenues of the System The Series 1998 bonds are insured by Ambac Assurance Corporation The Series 1998 bonds began to mature in 2005 and are subject to redemption rates at 100% of par value after November 1, 2010 The principal and sinking fund payments on the Series 1998 maturing in 2018 and 2026 are due on November 1 of each year as follows $680,000 in 2015, $720,000 in 2016, $755,000 in 2017, $800,000 in 2018, $845,000 in 2019 and $16,510,000 thereafter

On January 6, 2006, the Medical Center issued $74,505,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2006 ("Series 2006") The proceeds of the Series 2006 bonds were used to refund in advance of their maturities the Series 1995A bonds, finance the expansion of the patient tower, fund a debt service reserve fund, pay in trust on the Series 2006 bonds through November 1, 2007, and finance certain costs of issuance, including a premium for bond issuance The Series 2006 bonds are secured by a pledge of revenues of the System and a mortgage in the Medical Center property The Series 2006 bonds maturing on November 1, 2030 and 2035 are subject to a mandatory sinking fund redemption beginning in years 2027 through 2035, ranging in amounts from $2,795,000 to $4,055,000 The Series 2006 bonds are insured by CIFG Assurance North America

On December 1, 2008, the Medical Center issued $16,440,000 of South Carolina Jobs-Economic Development Authority Hospital Revenue and Refunding Bonds, Series 2008 ("Series 2008") The proceeds of the Series 2008 bonds were used to refund in advance of their maturities the Series 1995B bonds During 2010, the System repurchased the $16,440,000 Series 2008 bonds The Series 2008 bonds are held in assets whose use is limited on the consolidated balance sheets

Pursuant to its respective bond indentures and loan agreements, the Medical Center is subject to certain restrictive covenants, including maintaining a specific ratio of income available for debt service to maximum annual debt service, limiting the amount of additional indebtedness, and restrictions on the disposal of fixed assets In addition, the financing agreements contain restrictions or limitations with respect to indebtedness, property encumbrance, consolidation, merger, and transfer of assets, and, the Medical Center has agreed that it will not create any lien upon its property, accounts, or revenue now owned or hereafter acquired other than "permitted liens" as described in the loan documents As of September 30, 2014, the Medical Center was in violation of those covenants and entered into a forbearance agreement which expires on September 2, 2015 As forbearance maturity is within one year of the consolidated balance sheet date, all long term debt liabilities are classified as current at September 30, 2014

The maturities of long-term debt are as follows

Maturity Date	2008 Bonds	2006 Bonds	1998 Bonds
2015	$ -	$ 2,985,000	$ 680,000
2016	-	3,130,000	720,000
2017	-	3,285,000	755,000
2018	-	3,445,000	800,000
2019	-	3,610,000	845,000
Thereafter	16,440,000	30,905,000	16,510,000
	$ 16,440,000	$47,360,000	$20,310,000

Interest paid amounted to approximately $4,074,000 and $4,064,000 in 2014 and 2013, respectively

7 **Pension Plan**

The System follows the provisions of *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans* and its application is fully reflected in the consolidated financial statements The pronouncement requires the funding deficit or surplus of pension and postretirement benefit plans to be recognized in the sponsoring employer's consolidated balance sheet, with a corresponding adjustment to unrestricted net assets The adjustment to unrestricted net assets at adoption represents the net unrecognized actuarial losses, unrecognized prior service costs and unrecognized transition obligations which were previously netted against the plan's funded status in the consolidated balance sheet These amounts will be subsequently recognized as a net periodic benefit cost pursuant to the Systems' historical accounting policy for amortizing such amounts Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic benefit cost in the same periods will be recognized as a component of unrestricted net assets Those amounts will be subsequently recognized as a component of net periodic benefit cost on the same basis as the amounts recognized in unrestricted net assets upon adoption of the provisions

Effective December 31, 2009, the System froze its Defined Benefit Plan and replaced it with a Defined Contribution Plan No further benefits will accrue to the employees after December 31, 2009

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2014	2013
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 72,924,156	$ 83,618,034
Interest cost	3,411,996	3,153,910
Actuarial (gain)/loss	9,122,906	(11,820,182)
Benefits paid	(2,495,908)	(2,027,606)
Benefit obligation at end of year	82,963,150	72,924,156
Change in plan assets		
Fair value of plan assets at beginning of year	55,531,604	50,882,263
Actual return on plan assets	5,420,657	4,711,187
Benefits paid	(2,495,908)	(2,027,606)
Employer contributions	1,964,000	1,965,760
Fair value of plan assets at end of year	60,420,353	55,531,604
Funded status of the plan	$ (22,542,797)	$ (17,392,552)

	2014	2013
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	4 20%	4 76%
Rate of annual compensation increases	N/A	N/A
Measurement date	9/30/2014	9/30/2013
Used to determine net periodic benefit cost		
Discount rate	4 76%	3 82%
Rate of increase in compensation levels	N/A	N/A
Expected long-term rate of return on assets	7 50%	7 75%
Measurement date	9/30/2014	9/30/2013
Net periodic benefit cost		
Interest cost	$ 3,411,996	$ 3,153,910
Expected return on plan assets	(4,154,529)	(3,929,762)
Amortization of actuarial loss	297,516	652,961
Net periodic pension (income)/cost	$ (445,017)	$ (122,891)

Asset Allocation	Target Allocation	Percentage of Plan Assets as of September 30, 2014	September 30, 2013
Cash and cash equivalents	3%	1%	1%
Fixed income securities	35	39	43
Equity securities	62	60	56
Total	100%	100%	100%

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2014

	Fair Value Measurements at September 30, 2014 using			
	Fair value at September 30, 2014	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant Unobservable (Level 3 Inputs)
Assets measured at fair value				
Money market funds	$ 468,648	$ 468,648	$ —	$ —
Fixed income securities				
U S treasury bonds	4,489,458	4,489,458	—	—
U S corporate bonds	18,977,318	18,977,318	—	—
Equities				
Exchange traded	2,989,493	2,989,493	—	—
U S large cap	29,961,501	29,961,501	—	—
U S small cap	1,490,647	1,490,647	—	—
International	2,043,288	2,043,288	—	—
Total assets at fair value	$ 60,420,353	$ 60,420,353	$ —	$ —

The following table presents the fair value of the plan's investments, along with the level within the fair value hierarchy for the investments as of September 30, 2013

	Fair Value Measurements at September 30, 2013 using			
	Fair value at September 30, 2013	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant Unobservable (Level 3 Inputs)
Assets measured at fair value				
Money market funds	$ 316,486	$ 316,486	$ —	$ —
Fixed income securities				
U S treasury bonds	5,802,003	5,802,003	—	—
U S corporate bonds	17,988,840	17,988,840	—	—
Equities				
Exchange traded	2,695,940	2,695,940	—	—
U S large cap	25,342,164	25,342,164	—	—
U S small cap	1,358,752	1,358,752	—	—
International	2,027,419	2,027,419	—	—
Total assets at fair value	$ 55,531,604	$ 55,531,604	$ —	$ —

Investment Policy and Strategy - The System's policy, as established by the Pension Committee, is to provide for growth of capital with a moderate level of volatility by investing in a balanced portfolio The actual asset allocation of the overall plan assets, as well as the performance of the individual managers, is reviewed by the Pension Committee on a quarterly basis

Determination of Expected Long-Term Rate of Return - The plan's long-term rate of return assumption of 7 50% is based on expectations regarding each asset category and average long-term rate of returns for a portfolio allocated across these categories

Contributions – There are no expected contributions for the fiscal year ending September 30, 2015

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid as follows

2015	$ 2,695,673
2016	2,826,246
2017	3,021,869
2018	3,261,809
2019	3,457,345
2020 – 2024	20,227,973
	$ 35,490,915

8 **Postretirement Benefits**

In addition to the System's noncontributory defined benefit pension plan, the System sponsored a defined benefit health care plan that provided postretirement medical and dental benefits to eligible employees and/or dependents The availability of group coverage for Medicare eligible retirees varied by employee group with coverage designed either to supplement or coordinate with Medicare Retirees paid a portion of the cost of the coverage During March 2014, the Board of Trustees determined that the defined healthcare benefit would be terminated

The following table sets forth the plan's funded status and amounts recognized in the accompanying consolidated balance sheets

	2014	2013
Change in projected benefit obligation		
Benefit obligation at beginning of year	$ 13,622,800	$ 13,263,500
Service cost	334,800	652,400
Interest cost	347,700	540,500
Plan participants' contributions	214,100	225,900
Medicare Part D reimbursements	108,100	103,000
Plan amendments	(14,787,000)	-
Actuarial gain	(1,530,500)	(612,500)
Benefits paid	(630,900)	(550,000)
Benefit obligation at end of year	740,100	13,622,800
Change in plan assets		
Fair value of plan assets at beginning of year		
Employer contributions	$ 308,700	$ 221,100
Medicare Part D reimbursements	108,100	103,000
Plan participants' contributions	214,100	225,900
Benefits paid	(630,900)	(550,000)
Fair value of plan assets at end of year	-	-
Funded status of the plan	$ (740,100)	$ (13,622,800)

	2014	2013
Weighted average assumptions		
Used to determined benefit obligations		
Discount rate	1 58%	5 09%
Initial medical trend rate	7 00%	7 50%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	8	5
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2014	9/30/2013
Used to determine net periodic benefit cost		
Discount rate	5 09%	4 10%
Initial medical trend rate	7 50%	8 00%
Ultimate medical trend rate	5 00%	5 00%
Years from initial to ultimate trend	5	6
Dental trend rate	6 00%	6 00%
Measurement date	9/30/2014	9/30/2013

	2014	2013
Net periodic benefit cost		
Service cost	$ 334,800	$ 652,400
Interest cost	347,700	540,500
Amortization of prior service costs	(1,513,200)	(338,700)
Amortization of actuarial loss	947,100	464,200
Net periodic pension cost	$ 116,400	$ 1,318,400

The medical trend rate assumption has a significant effect on the amounts reported For example, increasing the assumed medical trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of September 30, 2014 by approximately $13,500 and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for the year ended September 30, 2014 by approximately $213,100

Contributions - Expected contributions for the fiscal year ending September 30, 2015 are approximately $162,900

Estimated Future Benefit Payments – The following benefit payments reflecting future services are expected to be paid net of employee contributions as follows

2015	$ 201,500
2016	165,700
2017	156,800
2018	144,800
2019	148,400
2020 – 2024	-
	$ 817,200

9 Other Employee Benefits

The System has a retirement savings plan under Section 403(b) of the Internal Revenue Code Employees are eligible to participate on their first date of employment The System determines its contribution to the 403(b) plan based on employee contribution levels, years of service, and hours worked As of September 30, 2014 and 2013, the System has accrued approximately $2,561,000 and $2,012,000, respectively, in accrued salaries, wages, and other current liabilities on the consolidated balance sheets for plan contributions

In addition to the System's noncontributory defined benefit pension plan, 403(b) plan, and medical and dental postretirement benefits, the System also sponsors a 457(f) plan for executives As of September 30, 2014 and 2013, approximately $425,000 and $1,999,000, respectively, is included in the Systems' other current assets on the consolidated balance sheets No liabilities were recorded because certain eligibility requirements have not been met

10 **Foundation**

The Tuomey Foundation (the "Foundation") was created for the sole benefit of the System and has a calendar year end The summarized unaudited financial information of the Foundation as of the years September 30, 2014 and 2013 are as follows

	2014	2013
Total assets	$ 6,142,582	$ 5,860,739
Total liabilities	581,541	1,720,638
Net assets	5,561,041	4,140,101
Revenues	1,318,179	1,070,962
Expenses	992,492	725,907
Revenues over expenses	$ 325,687	$ 345,055

As of September 30, 2013, the Foundation owed approximately $982,000, to the System for items purchased on the Foundation's behalf and pledges received by the Foundation for the System This amount is recorded in other assets on the System's consolidated balance sheet As of September 30, 2014, the Foundation owed approximately $1,095,000 to the System for items purchased on the Foundation's behalf and pledges received by the Foundation for the System The System recorded an other change in net assets in this amount for the year ended September 30, 2014, since the amount will not be repaid

11 **Concentrations of Credit Risk**

Financial instruments that potentially subject the System to a concentration of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable from patients and third-party payors It is management's opinion that the System is not exposed to any significant credit risk related to cash Concentration of credit risk with respect to patient accounts receivable is managed by an in-house credit staff Third-party payors are primarily Medicare and Medicaid which provide reimbursement on patient accounts on a regular basis Managed care receivables are distributed among several primary payors The creditworthiness of managed care payors is considered by the System prior to entering into an agreement with the payor

The System grants credit, without collateral to its patients, most of whom are local residents and insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30 was as follows

	2014	2013
Medicare	29%	37%
Medicaid	13	21
Blue Cross	19	14
Patient	32	15
Other	7	13
	100%	100%

12 **Commitments and Contingencies**

Operating Leases - The System leases certain equipment and facilities used in its operations under operating leases, which have noncancelable terms in excess of one year Total rent expense in 2014 and 2013 for all operating leases was approximately $3,135,000 and $3,769,000, respectively These leases, which have been accounted for as operating leases, have future minimum annual lease payments as follows

2015	$ 1,659,850
2016	1,362,864
2017	1,075,261
2018	1,034,954
2019	904,074
Thereafter	4,416,207
	$ 10,453,210

Medical Malpractice Claims - The System participates in a multiprovider captive for professional and general liability insurance coverage on a claims made basis The System's premiums are accrued based on the experience to date of the participating health care providers The System would be subject to retroactive premium adjustments should the captive's loss experience exceed premiums

The System has an irrevocable letter of credit in favor of the captive at September 30, 2014 of $408,937 The letter of credit expires October 14, 2015 There were no borrowings under the letter of credit at September 30, 2014 or 2013

Malpractice claims have been asserted against the System by various claimants, and additional claims could be asserted for incidents occurring through September 30, 2014 At September 30, 2014 and 2013, management is aware of no significant claims that are not adequately covered by insurance or that would have a material adverse effect on the consolidated balance sheets of the System An accrual has been established for an estimate of incurred but not reported claims in accrued salaries, wages, and other current liabilities on the consolidated balance sheets

Litigation - The System is involved in litigation and regulatory investigations arising in the normal course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's consolidated balance sheet or consolidated statement of operations and changes in net assets, except for the litigation as described below

The System is a defendant in a qui tam lawsuit filed against it by a physician on its medical staff on behalf of the United States Government (the "Government") in the United States District Court for the District of South Carolina (the "District Court") The Government subsequently intervened in this suit The Government contends that certain part-time employment contracts between the System and physicians on its medical staff that were in effect from 2005-2010 violated the so-called Stark Law (42 U S C §1395nn), and thus resulted in the System filing claims for reimbursement from Medicare in violation of the False Claims Act In the first trial in this matter in 2010, a jury rendered a verdict that the System violated the Stark Law but did not violate the False Claims Act Subsequent to the jury verdict, the District Court granted the Government a new trial on its False Claims Act claims The District Court also awarded the Government a judgment on its equitable claims in the amount of $44,888,651, plus pre-judgment interest of $4,040,134, with post-judgment interest of $5,123 per day The System appealed this judgment, and was required to pay $49 3 million into escrow In 2012, the United States Court of Appeals for the Fourth Circuit (the "Fourth Circuit") vacated the trial court's judgment on the Government's equitable claims and the money paid by the System into escrow was refunded to the System, with interest

Pursuant to the District Court's prior order, a second trial on the Government's False Claims Act claims was held in 2013 On May 8, 2013, the jury found that the System violated the Stark Law and the False Claims Act, and found that the System had submitted 21,730 claims in violation of the False Claims Act with a total monetary value of $39,313,065 The District Court denied the System's post-trial motions, and on October 2, 2013, the District Court entered judgment in favor of the Government in the amount of $237,454,195 on its False Claims Act claims, which amount is equal to three times the amount of monetary value determined by the jury plus statutory penalties of $5,500 per claim times the 21,730 claims that the jury determined were submitted in violation of the False Claims Act The District Court also awarded the Government post-judgment interest at the rate of 0 10 %, along with costs Following the entry of judgment, the System filed an appeal of this judgment with the Fourth Circuit, as well as an appeal of the District Court's 2010 order granting the Government a new trial

Thereafter on October 15, 2013, the Government and the System entered into an escrow agreement to afford the parties an opportunity to explore whether a settlement could be reached in lieu of protracted appellate litigation Pursuant to the escrow agreement, $50,000,000 was placed into escrow with Regions Bank as escrow agent In return for placing the money in escrow, the Government agreed to forego collection efforts on its judgment for a period of time while the parties attempted to settle (which period expired on December 20, 2013) and thereafter until 14 days following denial of the System's motion to stay with the District Court or 14 days after the denial of the Systems' motion for supersedeas bond with the Fourth Circuit if the District Court denied the motion to stay

Despite extensive negotiations, the parties were unable to reach a settlement. The System then filed a motion to stay the judgment with the District Court and requested the District Court stay enforcement of the judgment with the $50,000,000 in the escrow account fulfilling the bond requirement for an appeal. The Government opposed the bond amount and requested the District Court require the System to post a $50,000,000 supersedeas bond and place an additional $20,000,000 into escrow. By order dated April 9, 2014, the District Court granted a stay pending appeal conditioned on the System obtaining a supersedeas bond in the amount of $40,000,000 (or depositing this amount into the District Court if it could not purchase a bond) and depositing an additional $30,000,000 in escrow.

Unable to fulfill this bond requirement without substantially jeopardizing its ability to operate and defaulting on outstanding bonds, the System appealed the District Court's order to the Fourth Circuit. In its motion to stay the judgment before the Fourth Circuit, the System requested that if a bond was required to obtain a stay of judgment pending appeal, the District Court permit the System to deposit $30,000,000 in an interest bearing account with the District Court, conditioned upon the imposition of certain restriction on the Government's recoupment and/or setoff rights. The Government opposed the System's request for a reduced bond amount and requested the Fourth Circuit require the System to post the $50,000,000 in escrow with the District Court and issue a judgment lien on the System's remaining property in lieu of placing additional cash with the District Court. On June 3, 2014, the Fourth Circuit remanded the issue to the District Court for reconsideration of the bond amount based on the parties' new positions on the appropriate amount of security necessary for a stay of judgment.

On July 14, 2014, the District Court heard argument from both parties regarding the amount the System should be required to post as bond to obtain a stay of judgment. The District Court then ordered that $40,000,000 be transferred from the escrow account to the District Court and posted as bond. This amount is included in other assets in the consolidated balance sheet at September 30, 2014. The remaining $10,000,000 and all accrued interest in the escrow account were returned to the System. Additionally, the Government was granted a $10,000,000 lien on the System's property. Neither party appealed this order and following compliance with the same, a stay of judgment pending appeal was entered.

On March 18, 2014, final appellate briefs were submitted by each party to the Fourth Circuit. The Fourth Circuit heard oral argument from the parties on October 31, 2014. Presently, the parties are awaiting the issuance of an opinion from the Fourth Circuit on the pending appeal. At this time, management and the System's legal counsel cannot predict the result of the pending appeal. Accordingly, management has no basis from which to estimate the financial impact, if any, of the outcome of the pending appeal.

Although the results of the litigation are not finalized, the System has included an estimated obligation of $1,790,000 in other long-term liabilities as of September 30, 2014 and 2013. As a result of the appeal and possible new trial, there is at least a reasonable possibility that the recorded estimate will change by a material amount in the near term.

Industry Regulation - The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulation by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services billed

13 **Related Party Transactions**

The System pays rent to a real estate company that employs the Systems' chairman of the board The payments to the real estate company were approximately $65,000 and $113,000 for 2014 and 2013, respectively The System pays rent to an investment company that employs a member of the Systems' board The payments to the investment company were approximately $15,600 for 2014 The System also had physicians that serve on the board that provide medical services totaling approximately $696,000 and $460,000 for 2014 and 2013, respectively

14 **Endowment Funds**

The Medical Center's endowment consists of four donor-restricted endowment funds

Interpretation of Relevant Law -The Board of Trustees of the Medical Center has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Medical Center classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment

In accordance with SPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Changes in Endowment Net Assets – The change in endowment net assets for the year ended September 30, 2014 is as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 1,409,816	$ 8,016,716	$ 9,426,532
Investment income, net	-	475,195	-	475,195
Distribution	-	(75,000)	-	(75,000)
Endowment net assets, end of year	$ -	$ 1,811,011	$ 8,016,716	$ 9,827,727

The change in endowment net assets for the year ended September 30, 2013 is as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 1,082,905	$ 8,016,716	$ 9,099,621
Investment income, net	-	401,911	-	401,911
Distribution	-	(75,000)	-	(75,000)
Endowment net assets, end of year	$ -	$ 1,409,816	$ 8,016,716	$ 9,426,532

15. **Fair Value of Financial Instruments**

The *Fair Value Measurements* Standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements The provision does not require any new fair value measurements, but clarifies and standardizes some divergent practices that have emerged since prior guidance was issued The provision creates a three-level hierarchy under which individual fair value estimates are to be ranked based on the relative reliability of the inputs used in the valuation

The provision defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date When determining the fair value measurements for assets and liabilities, the System considers the principal or most advantageous market in which those assets or liabilities are sold and considers assumptions that market participants would use when pricing those assets or liabilities Fair values determined using level 1 inputs rely on active and observable markets to price identical assets or liabilities In situations where identical assets and liabilities are not traded in active markets, fair values may be determined based on level 2 inputs, which exist when observable data exists for similar assets and liabilities Fair values for assets and liabilities that are not actively traded in observable markets are based on level 3 inputs, which are considered to be unobservable

Among the System's assets were various investments that were reported at their fair values on a recurring basis

For assets carried at fair value, the following tables provide fair value information as of September 30, 2014 and 2013

	Fair Value Measurements at September 30, 2014 using			
	Fair value at September 30, 2014	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant Unobservable (Level 3 Inputs)
Assets measured at fair value				
Common trust funds	$ 20,292,559	$ --	$ 20,292,559	$ --
Money market funds				
Large cap	58,191	58,191	--	--
Mid cap	524,375	524,375	--	--
Small cap	264,695	264,695	--	--
U S treasury bonds and notes	7,496,383	7,496,383	--	--
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	--	--
Equities				
Proprietary indexed	518,428	518,428	--	--
Large cap	1,736,017	1,736,017	--	--
Mid cap	16,785	16,785	--	--
Total assets at fair value	$ 47,347,433	$ 26,852,988	$ 20,292,559	$ --

Assets whose use is limited, described in Note 4, are held at fair value and included in the table above except cash and cash equivalents totaling $482,762 and life insurance annuities totaling $1,486,059

	Fair Value Measurements at September 30, 2013 using			
	Fair value at September 30, 2014	Quoted prices in active markets for identical assets (Level 1 inputs)	Quoted prices for similar assets (Level 2 inputs)	Significant Unobservable (Level 3 Inputs)
Assets measured at fair value				
Common trust funds	$ 76,731,144	$ --	$ 76,731,144	$ --
Money market funds				
Proprietary indexed	251,496	251,496	--	--
Mid cap	478,251	478,251	--	--
Small cap	121,035	121,035	--	--
U S treasury bonds and notes	6,236,329	6,236,329	--	--
U S government agencies	601,432	601,432	--	--
Series 2008 Revenue and Refunding Bonds	16,440,000	16,440,000	--	--
Equities				
Proprietary indexed	248,461	248,461	--	--
Large cap	1,520,060	1,520,060	--	--
Mid cap	19,505	19,505	--	--
Corporate obligations	937,079	937,079	--	--
Total assets at fair value	$ 103,584,792	$ 26,853,648	$ 76,731,144	$ --

Assets whose use is limited, described in Note 4, are held at fair value and included in the table above except cash and cash equivalents totaling $387,922 and life insurance annuities totaling $1,387,465

Prices for money market funds, mutual funds, U S treasury bonds and notes, U S government agencies, 2008 Series Revenue and Refunding bonds, equities, and corporate obligations are readily available in the active markets in which those securities are traded, and the resulting fair values are shown in the 'Level 1 input' column The System has determined that small cap equities have market capitalization less than $2 billion, Mid cap equities have market capitalization of between $2 billion and $10 billion, and large cap have market capitalization over $10 billion Common trust funds are not traded on active markets, and therefore the resulting fair values are shown in the 'Level 2 input' column

The following methods and assumptions were used by the System in estimating the fair value of its financial instruments

- *Cash and cash equivalents* The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents approximate their fair value
- *Assets whose use is limited* These assets consist primarily of cash, investments, and interest receivable As discussed in Note 1, the carrying values of investments at September 30, 2014 and 2013 approximate their fair value
- *Accounts payable and accrued expenses* The carrying amounts reported in the consolidated balance sheets for accounts payable and accrued expenses approximate their fair value
- *Estimated third-party payor settlements* The carrying amounts reported in the consolidated balance sheets for these settlements approximate their fair value
- *Long-term debt* Fair values for the 1998, 2006, and 2008 Bonds are based on estimates using present value techniques These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, prepayments, and estimates of future cash flows, future expected loss experience, and other factors Changes in assumptions could significantly affect these estimates Derived fair value estimates cannot be substantiated by comparison of independent markets and, in many cases, may or may not be realized in an immediate sale of the instrument The fair value of the 1998, 2006, and 2008 Bonds, described in Note 6, is estimated to be approximately $86,603,000 at September 30, 2014

16 **Business Conditions and Liquidity**

The System generated deficits from revenues and gains over expenses and losses for the years ended September 30, 2014 and 2013 and negative cash flow from operations for the year ended September 30, 2014. In addition, the Medical Center was in violation of its debt covenants at September 30, 2014 and entered into a forbearance agreement which expires on September 2, 2015. As forbearance maturity is within one year of the consolidated balance sheet date, all long-term debt liabilities are classified as current at September 30, 2014. The System had a working capital deficit of approximately $56.0 million at September 30, 2014. The accompanying consolidated financial statements have been prepared on the basis that the System will be able to continue as a going concern.

In order to achieve improved operations and liquidity, management, in the third quarter of FY 14, began to implement a cost containment strategy after facing several quarters of poor financial results. Management intensified its performance improvement efforts to result in annual savings of $2.4 million. Further, management has implemented various revenue cycle initiatives to improve collections, better manage accounts receivable and improve overall net reimbursement rates for services rendered. In addition to the performance improvement initiatives, during the fourth quarter of fiscal year 2014 the Board of Trustees directed that management and the System's advisors undertake affiliation discussions with several health system partner candidates. Following extensive discussions and preliminary due diligence, the Board of Trustees at Tuomey selected Palmetto Health to begin exclusive discussions intended to lead to an affiliation. The System and Palmetto Health are currently in discussions and conducting due diligence in connection with a possible affiliation.

Although there can be no guaranty of success, management anticipates that the aforementioned initiatives will enable the System to continue operations through September 30, 2015 and thereafter.

17 **Restatement**

The 2013 consolidated financial statements have been restated to reflect temporarily and permanently restricted net assets in accordance with the terms of restricted gifts received by the System during prior years. The following sets forth the previously reported and restated amounts of the selected items within the consolidated balance sheet as of September 30, 2013 and within the consolidated statement of operations and changes in net assets for the year ended September 30, 2013.

	As Originally Reported	Effect of Restatement	As Restated
Consolidated Balance Sheet September 30, 2013			
Unrestricted net assets	$ 98,219,178	$ (4,385,389)	$ 93,833,789
Temporarily restricted net assets	$ -	$ 1,409,816	$ 1,409,816
Permanently restricted net assets	$ 5,041,143	$ 2,975,573	$ 8,016,716
Consolidated Statement of Operations and Changes in Net Assets Year Ended September 30, 2013			
Unrestricted net assets			
Net investment income	$ 5,407,646	$ (326,911)	$ 5,080,735
Total nonoperating gains (losses)	$ (1,940,492)	$ (326,911)	$ (2,267,403)
Temporarily restricted net assets			
Net investment income	$ -	$ 326,911	$ 326,911
Increase in temporarily restricted net assets	$ -	$ 326,911	$ 326,911

18 **Subsequent Events**

Subsequent events have been evaluated through June 19, 2015, which is the date the consolidated financial statements were available to be issued

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information

September 30, 2014

	Medical Center	TMP	Consolidation/ Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	$ 12,311,115	$ 372,059	$ –	$ 12,683,174
Patient accounts receivable, less allowance for uncollectible accounts of approximately $16,184,000	25,985,672	2,200,681	–	28,186,353
Estimated third-party payor settlements	4,178,616	–	–	4,178,616
Inventories of drugs and supplies	4,029,603	–	–	4,029,603
Prepaid expenses	2,917,870	233,240	–	3,151,110
Other current assets	1,644,414	223,457	–	1,867,871
Assets whose use is limited, required for current liabilities	3,237	–	–	3,237
Total current assets	51,070,527	3,029,437	–	54,099,964
Assets whose use is limited, excluding amounts required for current liabilities	49,313,017	–	–	49,313,017
Property, plant, and equipment, net	81,889,945	734,476	–	82,624,421
Deferred charges, net	1,747,867	–	–	1,747,867
Other assets	42,497,297	–	–	42,497,297
Total assets	$ 226,518,653	$ 3,763,913	$ –	$ 230,282,566

(continued)

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidating Balance Sheet Information (continued)

September 30, 2014

	Medical Center	TMP	Consolidation/ Eliminations	Total
Liabilities and Net Assets				
Current liabilities				
Accounts payable	$ 11,677,955	$ 614,267	$ –	$ 12,292,222
Accrued salaries, wages, and other current liabilities	9,389,883	1,431,750	–	10,821,633
Current portion of accrued pension and postretirement benefit obligation	161,600	–	–	161,600
Interest payable	1,586,040	–	–	1,586,040
Current portion of long-term debt	85,209,406	–	–	85,209,406
Total current liabilities	108,024,884	2,046,017	–	110,070,901
Accrued pension and postretirement benefit obligation, less current portion	23,121,297	–	–	23,121,297
Other long-term liabilities	1,790,000	–	–	1,790,000
Total liabilities	132,936,181	2,046,017	–	134,982,198
Net assets				
Unrestricted	83,754,745	1,717,896	–	85,472,641
Temporarily restricted	1,811,011	–	–	1,811,011
Permanently restricted	8,016,716	–	–	8,016,716
Total net assets	93,582,472	1,717,896	–	95,300,368
Total liabilities and net assets	$ 226,518,653	$ 3,763,913	$ –	$ 230,282,566

See Independent Auditors' Report

Tuomey and Affiliate
(d/b/a Tuomey Healthcare System)

Consolidating Statement of Operations Information
for the year ended
September 30, 2014

	Medical Center	TMP	Consolidation/ Eliminations	Total
Unrestricted revenues and other support				
Patient service revenue (net of contractual allowances and discounts)	$ 191,266,854	$ 16,851,052	$ (2,387,796)	$ 205,730,110
Provision for bad debts	(18,685,153)	(1,396,384)	–	(20,081,537)
Net patient service revenue	172,581,701	15,454,668	(2,387,796)	185,648,573
Other operating revenue	5,512,162	384,245	(373,294)	5,523,113
Total unrestricted revenues and other support	178,093,863	15,838,913	(2,761,090)	191,171,686
Expenses				
Salaries and wages	67,851,126	16,147,214	–	83,998,340
Benefits	16,013,452	3,860,433	–	19,873,885
Physician fees	9,648,263	(391,656)	(9,000)	9,247,607
Other fees	15,856,919	4,375,466	(2,752,090)	17,480,295
Supplies	31,936,706	802,755	–	32,739,461
Utilities	3,219,459	98,096	–	3,317,555
Repairs and maintenance	6,803,738	253,721	–	7,057,459
Leases and rentals	3,135,414	1,403,826	(854,718)	3,684,522
Insurance	1,782,233	991,833	–	2,774,066
Interest	4,001,014	–	–	4,001,014
Depreciation and amortization	11,588,236	318,975	–	11,907,211
Hospital tax	4,885,726	–	–	4,885,726
Other	1,334,383	238,425	–	1,572,808
Total expenses	178,056,669	28,099,088	(3,615,808)	202,539,949
Income (loss) from operations	37,194	(12,260,175)	854,718	(11,368,263)
Nonoperating gains (losses)				
Net investment income	4,679,420	5,118	(854,718)	3,829,820
Other nonoperating income	405,929	–	–	405,929
Other nonoperating expense	(4,754,071)	(509,448)	–	(5,263,519)
Total nonoperating gains (losses)	331,278	(504,330)	(854,718)	(1,027,770)
Excess of revenues and gains over (under) expenses and losses	368,472	(12,764,505)	–	(12,396,033)
Change in net postretirement benefit obligation	5,551,773	–	–	5,551,773
Other change in net assets	(43,975,577)	42,459,689	–	(1,515,888)
Increase (decrease) in unrestricted net assets	(38,055,332)	29,695,184	–	(8,360,148)
Temporarily restricted net assets				
Net investment income	400,195	–	–	400,195
Increase in temporarily restricted net assets	400,195	–		400,195
Increase (decrease) in net assets	$ (37,655,137)	$ 29,695,184	$ –	$ (7,959,953)

See Independent Auditors' Report

EXHIBIT H

675 F.3d 394
United States Court of Appeals,
Fourth Circuit.

UNITED STATES of America ex rel. Michael K. DRAKEFORD, M.D., Plaintiff–Appellee,
v.
TUOMEY HEALTHCARE SYSTEM, INCORPORATED, Defendant–Appellant,
v.
Womble, Carlyle, Sandridge and Rice Law Firm; Wesmark Ambulatory Surgery Center, LLC; James Arthur Goodson, III, M.D.; Kim Saccone, Movants.
American Hospital Association, Amicus Supporting Appellant.

No. 10–1819.

Argued: Jan. 20, 2012.

Decided: March 30, 2012.

Synopsis

Background: United States brought action against hospital under the False Claims Act (FCA), alleging that hospital entered into compensation arrangements with certain physicians that violated the Stark Law. A jury returned a verdict finding that hospital did not violate the FCA, but responded affirmatively to a special interrogatory regarding whether it had violated the Stark Law. The United States District Court for the District of South Carolina, Matthew J. Perry, Jr., Senior District Judge, 2010 WL 4000188, set aside the jury verdict and ordered a new trial on the FCA claim, and further ordered that, based on the jury verdict, the United States was entitled to judgment on its equitable claims, and hospital appealed.

[Holding:] The Court of Appeals, Duncan, Circuit Judge, held that In granting judgment to the United States on its equitable claims of payment by mistake of fact and unjust enrichment against hospital premised on theory that hospital's compensation arrangements with certain physicians violated Stark Law, district court impermissibly resolved common fact issue of hospital's Stark Law violation before a jury had adjudicated it in connection with United States' FCA claim against hospital, and thereby deprived hospital of its right to a jury trial on the fact issue.

Vacated and remanded.

Wynn, Circuit Judge, wrote separate opinion concurring in the result.

West Headnotes (7)

[1] **Jury**
⇐ Application of constitutional provisions in general

Seventh Amendment demands that facts common to legal and equitable claims be adjudicated by a jury. U.S.C.A. Const.Amend. 7.

1 Cases that cite this headnote

[2] **Jury**
⇐ Joinder of Legal and Equitable Issues

District court may not deprive a litigant of his right to a jury trial by resolving an equitable claim before a jury hears a legal claim raising common issues; when equitable claims rest on facts necessary to determination of legal claims, the legal claims involved in the action must be determined prior to any final court determination of the equitable claims. U.S.C.A. Const.Amend. 7.

2 Cases that cite this headnote

[3] **Jury**
⇐ Taking case or question from jury

In granting judgment to the United States on its equitable claims of payment by mistake of fact and unjust enrichment against hospital premised on theory that hospital's compensation arrangements with certain physicians violated Stark Law, district court impermissibly resolved common fact issue of hospital's Stark Law violation before a jury had adjudicated it in connection with United States' legal claim against hospital under False Claims Act (FCA)

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PLAINTIFF'S EXHIBIT
H