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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 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
SAN JUAN REGIONAL MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
801 WEST MAPLE STREET
Suite

City or town, state or province, country, and ZIP or foreign postal code
FARMINGTON, NM 87401

D Employer identification number
85-0127924

E Telephone number
(505) 609-6110

G Gross receipts $ 252,352,204

F Name and address of principal officer
RICK WALLACE
801 WEST MAPLE STREET
FARMINGTON, NM 87401

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 SANJUANREGIONAL COM

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

L Year of formation 1953

M State of legal domicile NM

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING

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**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,039
6	Total number of volunteers (estimate if necessary)	**6**	200
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)	3,035,644	3,157,786
9	Program service revenue (Part VIII, line 2g)	242,954,451	244,551,646
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,641,962	4,642,772
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	250,632,057	252,352,204
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	240,526	256,000
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)	149,743,126	148,475,216
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	94,412,672	97,835,271
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	244,396,324	246,566,487
19	Revenue less expenses Subtract line 18 from line 12	6,235,733	5,785,717

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	354,024,369	358,213,520
21	Total liabilities (Part X, line 26)	114,456,461	108,857,913
22	Net assets or fund balances Subtract line 21 from line 20	239,567,908	249,355,607

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including my knowledge and belief, it is true, correct, and complete Declaration of prepar preparer has any knowledge

Sign Here

Signature of officer

RICK WALLACE PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name BRENDA D GRIESEMER | Preparer's signature

Firm's name ▶ ERNST & YOUNG US LLP

Firm's address ▶ TWO NORTH CENTRAL AVENUE STE 2300
PHOENIX, AZ 85004

May the IRS discuss this return with the preparer shown above? (see instructio

For Paperwork Reduction Act Notice, see the separate instructions.

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

SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING

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 $ 230,000,018 including grants of $ 256,000) (Revenue $ 244,551,646)

ALL ACTIVITY IS DIRECTLY RELATED TO PROVIDING PATIENT MEDICAL SERVICES AND QUALITY HEALTH CARE TO THE COMMUNITY AND SURROUNDING RURAL AREAS SEE SCHEDULE O FOR OVERVIEW AND PROGRAMS

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** ▶ 230,000,018

Part IV Checklist of Required Schedules

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

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**	Yes	
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
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 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	104		
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	2,039		
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**	12		
	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**	10		
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**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
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**	Yes	
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**	Yes	

Section C. Disclosure

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

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

▶ RICK WALLACE 801 WEST MAPLE STREET
FARMINGTON, NM 87401 (505) 609-6110

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) CHARLENE SCOTT CHAIRMAN	6 0 0 0	X		X				0	0	0
(2) SANDY WILLIAMS CHAIRMAN (THRU 1/14)	6 0 0 0	X		X				0	0	0
(3) JANEL M RYAN 1ST VICE CHAIRMAN	6 0 0 0	X		X				0	0	0
(4) JEFF BOWMAN 2ND VICE CHAIRMAN (THRU 10/13)	6 0 0 0	X		X						
(5) TONY ATKINSON SECRETARY	6 0 0 0	X		X				0	0	0
(6) RONALD ROSEN TREASURER	6 0 0 0	X		X				0	0	0
(7) JAMES SHAHEEN TREASURER(THRU 12/13)/DIRECTOR	6 0 0 0	X		X				0	0	0
(8) CHARLES HOFFMAN DIRECTOR/CHIEF OF STAFF	40 0 0 0	X						383,606	0	29,429
(9) BRUCE BLACK DIRECTOR	6 0 6 0	X						0	0	0
(10) RUSSELL FLOREZ DIRECTOR	6 0 0 0	X						0	0	0
(11) BRUCE GLADE DIRECTOR	6 0 6 0	X						0	0	0
(12) HOLLY ABERNATHY DIRECTOR/VICE CHIEF OF STAFF	40 0 0 0	X						20,400	0	0
(13) KAREN MORRISON AUXILIARY REPRESENTATIVE	6 0 6 0	X						0	0	0
(14) JACK EBERHARTMD DIRECTOR	6 0 0 0	X						0	0	0
(15) RICHARD MENNING DIRECTOR/AUX REP (THRU 12/13)	6 0 6 0	X		X						
(16) CHRISTIAN MOORE DIRECTOR (THRU 8/13)	6 0 0 0	X						0	0	0
(17) RICK WALLACE PRESIDENT/CEO	40 0 2 0			X				544,696	0	59,775

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) JOHN BUFFINGTON COO	40 0 0 0			X				374,164	0	57,565
(19) J MICHAEL PHILIPS CSO	40 0 0 0			X				387,254	0	61,775
(20) SUZANNE SMITH CHIEF NURSING OFFICER	40 0 0 0				X			256,253	0	47,396
(21) TIBOR BOCO DOCTOR	40 0 0 0					X		770,871	0	38,179
(22) EDWARD MAURIN DOCTOR	40 0 0 0					X		683,839	0	30,529
(23) CHARLES E WILKINS DOCTOR	40 0 0 0					X		649,774	0	37,679
(24) MARC A FLITTER DOCTOR	40 0 0 0					X		623,131	0	39,629
(25) LUTHER B III WEATHERS DOCTOR	40 0 0 0					X		595,653	0	29,429
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,289,641	0	431,385

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 ▶ 225

			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
ARAMARK CLINICAL TECHNOLOGIES, PO BOX 100401 PASADENA CA 91189	BOP-MED/HOUSEKEEPING	1,850,336
RESOURCE ANESTHESIOLOGY, 10 COMMERCE DRIVE NEW ROCHELLE NY 10801	ANESTHESIA SERVICES	1,695,684
TOTAL RENAL CARE INC, 6000 FELDWOOD COLLEGE PARK GA 30349	DIALYSIS SERVICES	1,543,975
QUEST DIAGNOSTICS INC, 3924 COLLECTION CENTER CHICAGO IL 60693	CLINICAL LAB SVCS	818,009
AUTOMATED RECOVERY SYSTEM, PO BOX 1680 FARMINGTON NM 874991680	COLLECTIONS	569,492

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 ▶ 18

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	66,553			
	e	Government grants (contributions)	1e	3,090,128			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,105			
	g	Noncash contributions included in lines 1a-1f $		0			
	h	**Total.** Add lines 1a-1f . . . . . ▶		3,157,786			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	622110	236,616,431	236,616,431	0	0
	b	CAFETERIA	722210	1,240,253	1,240,253	0	0
	c	MED OFFICE BUILDING BLDG RENTAL	531120	402,739	402,739	0	0
	d	ALL OTHER PROGRAM SERVICE REVENUE	900099	6,292,223	6,292,223	0	0
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		244,551,646			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		2,928,958			2,928,958
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss) . . . . . ▶		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	1,722,985	-9,171			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)	1,722,985	-9,171			
	d	Net gain or (loss) . . . . . ▶		1,713,814			1,713,814
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 . . ▶		0			
	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 . . ▶		0			
	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 . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		0			
	12	**Total revenue.** See Instructions . . . . . ▶		252,352,204	244,551,646	0	4,642,772

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	256,000	256,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	2,562,809	0	2,562,809	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	182,389	182,389	0	0
7 Other salaries and wages	111,648,608	106,895,538	4,753,070	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,077,774	4,721,123	356,651	0
9 Other employee benefits	21,553,112	20,009,194	1,543,918	0
10 Payroll taxes	7,450,524	7,029,541	420,983	0
11 Fees for services (non-employees)				
a Management	0	0	0	0
b Legal	311,900	38,020	273,880	0
c Accounting	300,000	279,555	20,445	0
d Lobbying	54,632	0	54,632	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	587,180	0	587,180	0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	23,154,937	22,618,447	536,490	0
12 Advertising and promotion	789,701	0	789,701	0
13 Office expenses	25,756,885	24,651,515	1,105,370	0
14 Information technology	5,665,626	5,279,513	386,113	0
15 Royalties . .	0	0	0	0
16 Occupancy	3,936,188	3,813,113	123,075	0
17 Travel	418,237	313,884	104,353	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	784,107	701,809	82,298	0
20 Interest	2,361,639	2,200,693	160,946	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	13,758,591	12,820,942	937,649	0
23 Insurance	3,035,949	1,585,992	1,449,957	0
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	8,770,574	8,768,751	1,823	0
b EQUIP RENTAL & MAINTENANCE	8,149,125	7,833,999	315,126	0
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	246,566,487	230,000,018	16,566,469	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

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		24,670,405	1	26,462,077
	2	Savings and temporary cash investments		5,460,974	2	6,705,416
	3	Pledges and grants receivable, net		268,630	3	269,010
	4	Accounts receivable, net		32,411,098	4	36,110,445
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		1,280,416	7	1,536,185
	8	Inventories for sale or use		3,725,408	8	3,757,446
	9	Prepaid expenses and deferred charges		4,036,014	9	4,593,401
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 308,638,965			
	b	Less accumulated depreciation	10b 166,207,189	150,339,630	10c	142,431,776
	11	Investments—publicly traded securities		115,090,897	11	120,915,729
	12	Investments—other securities See Part IV, line 11		8,180,149	12	8,714,457
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		8,560,748	15	6,717,578
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		354,024,369	16	358,213,520
Liabilities	17	Accounts payable and accrued expenses		27,447,743	17	25,968,073
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		57,865,446	20	55,417,257
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		7,826,941	23	6,559,976
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		21,316,331	25	20,912,607
	26	**Total liabilities.** Add lines 17 through 25		114,456,461	26	108,857,913
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		239,567,908	27	249,355,607
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		239,567,908	33	249,355,607
	34	Total liabilities and net assets/fund balances		354,024,369	34	358,213,520

Part XI Reconcilliation 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	252,352,204
2	Total expenses (must equal Part IX, column (A), line 25)	2	246,566,487
3	Revenue less expenses Subtract line 2 from line 1	3	5,785,717
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	239,567,908
5	Net unrealized gains (losses) on investments	5	4,001,982
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	249,355,607

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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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.**
▶ **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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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?		(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 ▶☐

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	

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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

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 the organization	Employer identification number
SAN JUAN REGIONAL MEDICAL CENTER	85-0127924

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-		

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) 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					

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	0
d	Mailings to members, legislators, or the public?		No	0
e	Publications, or published or broadcast statements?		No	0
f	Grants to other organizations for lobbying purposes?		No	0
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		44,153
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i	Other activities?	Yes		10,479
j	Total Add lines 1c through 1i			54,632
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
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B LINE 1G - SAN JUAN REGIONAL MEDICAL CENTER PAID NEW MEXICO GOVERNMENT AFFAIRS $44,153 FOR A LOBBYIST IN SANTA FE, NEW MEXICO WHO MONITORS NEW MEXICO STATE LEGISLATIVE ISSUES WITH REGARD TO HOSPITAL ISSUES, KEEPS SAN JUAN REGIONAL MEDICAL CENTER APPRISED OF THOSE ISSUES AND TAKES FEEDBACK TO THE STATE LEGISLATURE LINE 1I - A PORTION OF THE DUES PAID TO HEALTHCARE ASSOCIATIONS BY SAN JUAN REGIONAL MEDICAL CENTER WAS ALLOCABLE TO LOBBYING ACTIVITIES 1) NEW MEXICO HOSPITALS AND HEALTH SYSTEMS ASSOCIATION - $10,479

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

The percentages 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)		
(ii) related organizations	3a(ii)		
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		5,914,672		5,914,672
b Buildings		103,430,090	32,227,883	71,202,207
c Leasehold improvements		75,878,339	45,655,457	30,222,882
d Equipment		121,642,512	88,323,849	33,318,663
e Other		1,773,352		1,773,352
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				142,431,776

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
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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	0
PROFESSIONAL AND GENERAL INSURANCE	9,519,000
DUE TO THIRD PARTY PAYORS	8,465,105
ANESTHESIA LIABILITY	2,055,038
457(F) EXECUTIVE PENSION LIABILITY	873,464
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	20,912,607

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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

Return Reference	Explanation
SCHEDULE D, PART X, LINE 2	ACCOUNTING STANDARDS CODIFICATION (ASC) 740, INCOME TAXES, PRESCRIBES CRITERIA FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN ASC 740 ALSO PROVIDES GUIDANCE ON DE-RECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND TRANSITION IN ACCORDANCE WITH THIS ACCOUNTING GUIDANCE, MANAGEMENT HAS REVIEWED ITS TAX POSITIONS AND HAS DETERMINED THAT THE COMPANY HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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 eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		327	483,498		483,498	0 200 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		327	483,498		483,498	0 200 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		26,757	797,900		797,900	0 320 %
f Health professions education (from Worksheet 5)		32	1,971,557		1,971,557	0 800 %
g Subsidized health services (from Worksheet 6)		159,909	137,559,867	100,774,878	36,784,989	14 920 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		16,590	296,918		296,918	0 120 %
j **Total.** Other Benefits		203,288	140,626,242	100,774,878	39,851,364	16 160 %
k **Total.** Add lines 7d and 7j		203,615	141,109,740	100,774,878	40,334,862	16 360 %

Part II Community Building Activities Complete this 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			1,272,498		1,272,498	0 520 %
9 Other						
10 **Total**			1,272,498		1,272,498	0 520 %

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 Heathcare 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	32,843,350		
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	8,210,838		
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	64,178,153
6	Enter Medicare allowable costs of care relating to payments on line 5	6	71,078,153
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-6,900,000
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 FOUR CORNERS ASC	AMBULATORY SURGERY CENTER	38 835 %		61 165 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

	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										

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 SAN JUAN 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	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 20 11			
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	Yes	
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 SCHEDULE H, PART V, SECTION C			
b	☑ Other website (list url) WWW SJRRH COM			
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)*

Financial Assistance Policy		Yes	No
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 % 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 % 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)			

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?	**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 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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
If "Yes," explain in Part VI			

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	

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? **24**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 6A	AN ANNUAL REPORT IS PREPARED AND MAILED TO THE CITIZENS OF FARMINGTON, AZTEC, AND BLOOMFIELD, NM AS WELL AS THE SURROUNDING COMMUNITIES IN THE ANNUAL REPORT IS FINANCIAL INFORMATION FOR THE HOSPITAL, STORIES OF CARE, AND INFORMATION ABOUT NEW PROGRAMS OR SERVICES PROVIDED BY THE HOSPITAL

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7	SJRMC USES A COST ACCOUNTING SYSTEM WHICH IS A PART OF ITS HOSPITAL INFORMATION SYSTEM THE SYSTEM ADDRESSES ALL PATIENT SEGMENTS SCHEDULE H, PART II, LINE 7E THE AMOUNTS SUMMARIZED INCLUDE PROGRAMS FOR COMMUNITY HEALTH EDUCATION WHICH INCLUDES HEALTH FAIRS AND HEALTH EDUCATION SEMINARS LACTATION CONSULTATION AND OUTPATIENT DIETITIAN SERVICES SCHEDULE H, PART I, LINE 7G SAN JUAN REGIONAL MEDICAL CENTER PROVIDES NUMEROUS SUBSIDIZED HEALTH SERVICES TO THE COMMUNITY THESE SUBSIDIZED HEALTH SERVICES ARE EMERGENCY AND TRAUMA SERVICES 6,594,275 AMBULATORY CARE CENTERS 14,085,139 ORTHOPEDICS 1,697,439 BEHAVIORAL HEALTH-IP 1,999,388 OUTPATIENT NURSING/WOUND CARE 1,882,175 OUTPATIENT THERAPIES 2,255,932 OBSTETRIC/PEDIATRICS 3,176,173 RENAL 2,573,490 ONCOLOGY 1,380,133 OTHER 1,140,845 ---------- TOTAL 36,784,989

Form and Line Reference	Explanation
SCHEDULE H, PART II	THE FEDERAL GOVERNMENT THROUGH HRSA HAS DESIGNATED SAN JUAN COUNTY AS A SHORTAGE AREA FOR PHYSICIANS IN ORDER TO REDUCE THIS SHORTAGE SAN JUAN REGIONAL MEDICAL CENTER HAS BEEN RECRUITING FOR PHYSICIANS AND IN THIS EFFORT SPENT $1,538,219 IN FY 2014 SCHEDULE H, PART III, LINE 2 THE FOOTNOTE THAT DESCRIBES THE METHODOLOGY USED IN CALCULATING THE BAD DEBT AMOUNT REPORTED ON LINE 2 IS LOCATED ON PAGE 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 3	THE AMOUNT ON LINE 3 IS AN ESTIMATE BASED ON MANAGEMENT'S BELIEF OF THE PERCENTAGE OF ADDITIONAL FINANCIAL ASSISTANCE COST IF THE PATIENTS WOULD COMPLETE THE FINANCIAL ASSISTANCE APPLICATION THIS AMOUNT IS CURRENTLY ESTIMATED AT 25% WHAT IS INCLUDED IN OUR BAD DEBT

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 4	THE FOOTNOTE THAT DESCRIBES BAD DEBT IS ON PAGE 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 8	THE AMOUNT OF MEDICARE SHORTFALL REPORTED ON LINE 7 IS $6,900,000 THIS AMOUNT IS A RESULT OF THE TOTAL REVENUE AND ALLOWABLE COST CALCULATION ON OUR FY 14 COST REPORT THE HOSPITAL'S ACTUAL EXPENSES ARE ENTERED INTO THE COST REPORT SOFTWARE AND THE ALLOWABLE COSTS ARE DETERMINED BY THE MEDICARE REGULATIONS THIS MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE, ABSENT THIS PROGRAM, MANY INDIVIDUALS WOULD QUALIFY FOR FINANCIAL ASSISTANCE AND OTHER NEEDS-BASED PROGRAMS BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF THE GOVERNMENT ARE RELIEVED, AND THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT NEEDS

Form and Line Reference	Explanation
SCHEDULE H, PART III, LINE 9B	SAN JUAN REGIONAL MEDICAL CENTER'S (SJRMC) POLICY ON PATIENT ACCOUNT COLLECTIONS STATES "SJRMC WILL NOT ATTEMPT TO COLLECT FROM A PATIENT WHO IS APPLYING FOR THE SAN JUAN COUNTY INDIGENT FUND AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS " THE POLICY ALSO STATES "SJRMC WILL NOT COLLECT FROM A PATIENT APPLYING FOR THE COMMUNITY SERVICE FUND (FINANCIAL ASSISTANCE) AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS "

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 2	A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IS CONDUCTED BY SAN JUAN REGIONAL MEDICAL CENTER TO DETERMINE THE HEALTH NEEDS FOR SAN JUAN COUNTY- AND THE FOUR CORNERS REGION-AS PERCEIVED BY THOSE SERVED BY THE HOSPITAL THE CHNA IS CONDUCTED VIA TELEPHONE SURVEYS IN BOTH ENGLISH AND SPANISH, INTERVIEWS CONDUCTED WITH NATIVE AMERICAN RESPONDENTS, KEY SHAREHOLDERS IN THE PROVISION OF HEALTH CARE IN SAN JUAN COUNTY, AND A SERIES OF FOCUS GROUPS THE SURVEY IS ALSO SHARED WITH KEY COMMUNITY GROUPS IN A SERIES OF OPEN FORUMS THE MOST RECENT CHNA OCCURRED IN CY 2011 (FY 2012) THE NEEDS WHICH WERE IDENTIFIED FROM THIS SURVEY INCLUDE CANCER BARRIERS TO ACCESSING HEALTHCARE SERVICES IMMUNIZATION & INFECTIOUS DISEASES DIABETES MENTAL HEALTH OBESITY AND WEIGHT LOSS ORAL HEALTH PRENATAL CARE RESPIRATORY DISEASE ROUTINE CHECKUPS AND PREVENTIVE SCREENINGS SEXUALLY TRANSMITTED DISEASES TEEN BIRTHS AND UNWED MOTHERS UNINTENTIONAL INJURY SUBSTANCE/TOBACCO USE THE SAN JUAN REGIONAL MEDICAL CENTER BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION CONDUCTS THE SURVEY FOR THE PURPOSE OF DETERMINING HOW BEST TO DIRECT RESOURCES TO IMPROVE THE HEALTH OF THE FOUR CORNERS WITH THREE GOALS IN MIND - TO IMPROVE RESIDENTS' HEALTH STATUS, INCREASE THEIR LIFE SPANS, AND ELEVATE THEIR OVERALL QUALITY OF LIFE - TO REDUCE HEALTH DISPARITIES AMONG RESIDENTS BY IDENTIFYING POPULATION SEGMENTS WHO ARE MOST AT-RISK FOR VARIOUS DISEASES AND INJURIES INTERVENTION PLANS AIMED AT TARGETING THESE INDIVIDUALS ARE ALSO DEVELOPED TO COMBAT SOME OF THE SOCIO-ECONOMIC FACTORS WHICH HAVE HISTORICALLY HAD A NEGATIVE IMPACT ON RESIDENTS' HEALTH - TO INCREASE ACCESSIBILITY TO PREVENTIVE SERVICES FOR ALL COMMUNITY RESIDENTS MORE ACCESSIBLE PREVENTIVE SERVICES WILL PROVE BENEFICIAL IN ACCOMPLISHING THE FIRST GOAL (IMPROVING HEALTH STATUS, INCREASING LIFE SPANS, AND ELEVATING QUALITY OF LIFE), AS WELL AS LOWERING THE COSTS ASSOCIATED WITH CARING FOR LATE-STAGE DISEASES RESULTING FROM A LACK OF PREVENTIVE CARE A NEW CHNA IS BEING COMPLETED IN THE SPRING OF 2015

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	SAN JUAN REGIONAL MEDICAL CENTER EMPLOYS A NUMBER OF FINANCIAL COUNSELORS AND CUSTOMER SER VICE REPRESENTATIVES WHO WORK ALONGSIDE PATIENTS TO HELP THEM NAVIGATE THEIR PAYMENT, BILL ING, AND ASSISTANCE OPTIONS INFORMATION IS DISSEMINATED TO PATIENTS THROUGH ONLINE AND PA PER RESOURCES LOCATED THROUGHOUT THE HOSPITAL A WIDELY DISTRIBUTED BROCHURE TITLED, "PAYI NG FOR HOSPITAL SERVICES AT SAN JUAN REGIONAL MEDICAL CENTER," IS SPECIFICALLY DESIGNED TO HELP PATIENTS UNDERSTAND THEIR HOSPITAL BILL AND INFORM THEM OF THEIR OPTIONS FOR PAYMENT AND ASSISTANCE, INCLUDING INFORMATION ON THE AVAILABILITY OF INDIAN HEALTH SERVICE ASSIST ANCE, CASH DISCOUNTS, BILL REDUCTION THROUGH A COMMUNITY SERVICE FUND, SPECIAL FUNDS THROU GH THE SAN JUAN COUNTY INDIGENT FUND, OR MEDICAL HARDSHIP WAIVERS THE HOSPITAL'S VISION I S TO BE KNOWN AS THE MOST PERSONALIZED QUALITY HEALTHCARE PROVIDER SAN JUAN REGIONAL MEDI CAL CENTER IS ALSO A VALUES-DRIVEN ORGANIZATION WITH A CENTURY OF SERVICE TO THE FOUR CORN ERS REGION-DRIVEN BY A SIMPLE YET POWERFUL PRINCIPLE DO THE RIGHT THING FOR THE PATIENT N O MATTER WHAT AN INTEGRAL PART OF THIS SACRED TRUST THE COMMUNITY HAS IN ITS HOSPITAL IS ENSURING THAT NO PATIENT FEELS ALONE AND DISCONNECTED DURING AND AFTER THEIR TREATMENT TH EREFORE, IT IS IN THE SPIRIT OF THE HOSPITAL'S VISION AND MISSION TO ENSURE THAT PATIENTS RECEIVE A HIGH LEVEL OF ASSISTANCE WHEN FIGURING OUT THEIR BILL AND OPTIONS NOT ONLY DOES THE HOSPITAL HAVE FINANCIAL COUNSELORS TO EDUCATE ITS PATIENTS, IT HAS AN IN-HOUSE MEDICA L ADVOCACY SERVICE FOR HEALTHCARE PROGRAM ("MASH") FOR SELF-PAY INDIVIDUALS THROUGH THE M ASH PROGRAM, PATIENT ADVOCATES STAND HAND-IN-HAND WITH PATIENTS TO EXPLORE EVERY POSSIBILI TY OF ASSISTANCE POLICY SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) WILL RENDER FINANCIAL A SSISTANCE TO PERSONS WITH A DEMONSTRATED INABILITY TO PAY, REGARDLESS OF RACE, COLOR OR CR EED FINANCIAL ASSISTANCE REPRESENTS MEDICAL SERVICES PROVIDED TO A PERSON FOR WHICH THE H OSPITAL HAS NO EXPECTATION OF RECEIVING FULL PAYMENT FINANCIAL ASSISTANCE ELIGIBILITY DOE S NOT ALWAYS MEAN THAT A MEDICAL DEBT OWED TO THE HOSPITAL IS COMPLETELY ELIMINATED THERE MAY BE A RESIDUAL AMOUNT THE PATIENT OR HOUSEHOLD IS EXPECTED TO PAY PURPOSE WE RECOGNI ZE THAT IT WILL BE NECESSARY TO IDENTIFY THE MEDICALLY INDIGENT PATIENT AND ESTABLISH THE AMOUNT OF FINANCIAL ASSISTANCE TO BE RENDERED IN A MANNER MOST RESPONSIVE TO THE NEEDS OF THE COMMUNITY SJRMC WILL CLEARLY DISTINGUISH IT FROM BAD DEBT FINANCIAL ASSISTANCE WILL BE IDENTIFIED AND RECORDED AS SUCH, AS EARLY AS POSSIBLE IN THE REGISTRATION AND COLLECTIO N PROCESS AN INDIVIDUAL WHO IS TOO POOR TO MEET HIS OR HER MEDICAL EXPENSES IS GENERALLY CATEGORIZED AS MEDICALLY INDIGENT THE TERM INCLUDES PEOPLE WHOSE INCOME IS SUFFICIENT TO PAY FOR BASIC LIVING EXPENSES BUT NOT ADEQUATE TO PAY FOR UNEXPECTED OR LARGE MEDICAL BILL S ELIGIBILITY WILL BE DECIDED ON A CASE-BY-CASE BASIS WHILE FAMILY SIZE AND HOUSEHOLD IN COME ARE THE PRIMARY DETERMINANTS, OTHER FACTORS, SUCH AS ASSETS NOT REQUIRED TO MAINTAIN A BASIC STANDARD OF LIVING, MAY BE CONSIDERED FUTURE EARNING CAPACITY MAY ALSO BE CONSIDE RED GENERAL INFORMATION ELIGIBILITY REQUIREMENTS (ROUTINE DETERMINATIONS) SJRMC WILL USE THE FOLLOWING ELIGIBILITY CRITERIA TO DETERMINE IF A PATIENT QUALIFIES FOR FINANCIAL ASSI STANCE AT SJRMC 1 THE PATIENT'S HOUSEHOLD AVERAGE MONTHLY INCOME AND/OR ASSISTANCE FROM ALL SOURCES FOR THE 12-MONTH PERIOD PRIOR TO RECEIVING SERVICES AT SJRMC, DID NOT EXCEED 4 00% OF THE MONTHLY FEDERAL POVERTY INCOME GUIDELINES THE NUMBER OF DEPENDENTS AND OTHERS IN THE HOUSEHOLD MUST BE TAKEN INTO ACCOUNT IN MAKING THIS DETERMINATION * "PATIENT'S HOU SEHOLD INCOME AND/OR ASSISTANCE" INCLUDES ALL FUNDS RECEIVED BY ALL MEMBERS OF THE PATIENT 'S HOUSEHOLD THAT SUPPORT THE HOUSEHOLD SPECIAL RULES PERTAINING TO HOUSEHOLD INCOME APPL Y IN SITUATIONS WHERE AN UNMARRIED ADULT IS LIVING IN THE SAME HOME WITH ANOTHER ADULT * "HOUSEHOLD" IS DEFINED AS ALL DEPENDENTS AND OTHERS WHO LIVE IN THE SAME RESIDENCE AS THE PATIENT AND/OR GUARANTOR * A "DEPENDENT" IS DEFINED AS A PERSON WHO CAN BE CLAIMED BY THE GUARANTOR AND/OR PATIENT AS A DEPENDENT ON THEIR FEDERAL TAX RETURN * "OTHERS" IS DEFINE D AS A PERSON WHO RESIDES IN THE GUARANTOR AND/OR PATIENT'S RESIDENCE FOR A MINIMUM OF SIX CONSECUTIVE MONTHS DURING A 12-MONTH PERIOD THE GUARANTOR AND/OR PATIENT MAY OR MAY NOT BE ABLE TO CLAIM THIS PERSON AS A DEPENDENT ON THEIR FEDERAL TAX RETURN 2 THE PATIENT HA S NO MEDICAL INSURANCE, LIABILITY OR OTHER THIRD-PARTY COVERAGE THAT WILL PAY FOR THE SERV ICES THE PATIENT RECEIVED AT SJRMC RESIDUAL AMOUNTS AFTER ANY THIRD-PARTY PAYMENTS, SUCH AS DEDUCTIBLES, NON-COVERED AMOUNTS, CO-PAYMENTS AND CO-INSURANCE MAY BE CONSIDERED FOR FI NANCIAL ASSISTANCE THE PATIENT MUST BE PERSONALLY RESPONSIBLE FOR PAYING ANY RESIDUAL AMO UNTS NOT COVERED BY A THIRD PARTY MEDICARE DEDUCTIBLES AND COINSURANCE MAY BE CONSIDERED FOR FINANCIAL ASSISTANCE 3 THE PATIENT HAS ASSET

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	S AND RESOURCES, EXCLUDING THEIR PRIMARY RESIDENCE AND AUTOMOBILE(S) OF $5,000 OR LESS RE TIREMENT FUNDS WILL NORMALLY BE EXCLUDED AS ASSETS SJRMC RESERVES THE RIGHT TO REQUIRE TH E PATIENT TO BORROW AGAINST OR EVEN LIQUIDATE SOME OR ALL FUNDS EARMARKED FOR RETIREMENT T O SATISFY THE DEBT OWED TO SJRMC ELIGIBILITY CRITERIA (PRESUMPTIVE DETERMINATIONS) 1 KN OWN CIRCUMSTANCES SURROUNDING A PATIENT'S PERSONAL SITUATION SUPPORT THE CONCLUSION THAT T HEY ARE MEDICALLY INDIGENT IN ADDITION, THE PATIENT IS EITHER UNABLE TO APPLY FOR THE FIN ANCIAL ASSISTANCE AND/OR TO PROVIDE REQUIRED SUPPORTING DOCUMENTATION TO MAKE A ROUTINE DE TERMINATION OF ELIGIBILITY 2 PRESUMPTIVE FINANCIAL ASSISTANCE MAY ALSO BE APPROVED IN SI TUATIONS WHERE THE PATIENT HAS A "MEDICAL HARDSHIP" A MEDICAL HARDSHIP IS WHERE THE PATIE NT DOES NOT MEET THE USUAL CRITERIA TO QUALIFY FOR A FINANCIAL ASSISTANCE ADJUSTMENT BASED ON BEING MEDICALLY INDIGENT HOWEVER, THEIR DEBT FOR A PARTICULAR MEDICAL EVENT, TO INCLU DE THE DEBT OF OTHER PROVIDERS BESIDES SJRMC, IS PROHIBITIVE BASED ON THEIR AVAILABLE INCO ME AND ASSETS AS WELL AS THEIR FUTURE EARNING CAPACITY MEDICAL HARDSHIP IS DEFINED AS A S ITUATION WHERE THE CUMULATIVE MEDICAL DEBTS FOR ONE EPISODE OF CARE EXCEEDS 30% OF THE VAL UE OF THE PATIENT'S (OR GUARANTOR, IF PATIENT IS A MINOR OR INCOMPETENT) AVAILABLE INCOME AND ASSETS NOT ESSENTIAL TO A BASIC LIFESTYLE FOR THE 12 MONTHS PRIOR TO THE MEDICAL EVENT AN "EPISODE OF CARE" BEGINS WITH SERVICES BEING PERFORMED AT SJRMC AND ENDS THE SOONER O F A) SIX MONTHS AFTER THE INITIAL DATE OR B) DISCHARGE FROM AN INPATIENT STAY THE SERVICE S PROVIDED MAY BE FOR MORE THAN ONE ILLNESS OR INJURY AS LONG AS THE SERVICES ARE FOR THE SAME PATIENT PROCEDURE 1 A REPRESENTATIVE FROM THE BILLING DEPARTMENT WILL REVIEW THE A PPLICATION AND SUBMIT ACCOUNTS FOR REVIEW THAT MEET THE ELIGIBILITY REQUIREMENTS 2 REVIE W WILL BE PROVIDED BY THE EXECUTIVE DIRECTOR, COORDINATOR OF CASE MANAGEMENT, AND A REPRES ENTATIVE FROM THE FINANCIAL DEPARTMENT ALL ELIGIBLE APPLICATIONS FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED BASED ON INDIVIDUAL MERITS A APPROVAL FOR LESS THAN $20,000 WILL BE DECIDED AT THIS LEVEL B CASES WITH AMOUNTS GREATER THAN $20,000 WILL BE SUBMITTED WITH C OMMITTEE RECOMMENDATIONS FOR APPROVAL OR DENIAL OF FINANCIAL ASSISTANCE FUNDS TO THE BOARD OF DIRECTORS FOR THEIR FINAL DECISION 3 APPROVED FINANCIAL ASSISTANCE ALLOWANCES WILL B E REPORTED TO THE BOARD OF DIRECTORS 4 THE FINANCE DEPARTMENT WILL DO THE NECESSARY ADJU STMENTS AND NOTIFICATIONS TO THE PATIENT

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 4	SAN JUAN REGIONAL MEDICAL CENTER SERVES THE FOUR CORNERS REGION OF THE UNITED STATES, WHICH IS MOSTLY RURAL THE HOSPITAL IS LOCATED IN THE REGION'S LARGEST CITY AND ONLY METROPOLITAN AREA, WHICH IS FARMINGTON, NEW MEXICO OTHER CITIES IN THE REGION INCLUDE CORTEZ AND DURANGO IN COLORADO, MONTICELLO AND BLANDING IN UTAH, KAYENTA AND CHINLE IN ARIZONA, AND SHIPROCK, AZTEC, AND BLOOMFIELD IN NEW MEXICO THIS REGION ALSO INCLUDES THE NAVAJO NATION STATISTICS GATHERED FOR THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT IN 2011 FOR SAN JUAN COUNTY (POPULATION 130,044)-WHICH IS THE PRINCIPAL COUNTY SERVED BY SAN JUAN REGIONAL MEDICAL CENTER-INDICATE THE FOLLOWING POPULATION CHARACTERISTICS MEN 49 6% WOMEN 50 4% AGES 18 AND UNDER 29% AGES 65+ 10 8% WHITE 51 6% AMERICAN INDIAN & ALASKA NATIVE 36 6% HISPANIC 19 1% THE MEDIAN HOUSEHOLD INCOME FOR SAN JUAN COUNTY IS $46,007

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	IN THE CONSTANT EFFORT TO MEET COMMUNITY NEEDS, SJRMC SEEKS TO IMPROVE PHYSICIAN ACCESS THROUGH A VIGOROUS RECRUITING PROGRAM AND TO PROVIDE COMMUNITY EDUCATION AND MANY OTHER COMMUNITY BENEFIT PROGRAMS IN FISCAL YEAR 2014, SAN JUAN REGIONAL MEDICAL CENTER PROVIDED BENEFITS TO THE POOR AND THE BROADER COMMUNITY OF OVER $41 MILLION PROGRAM PERSONS SERVED COMMUNITY BENEFIT TRADITIONAL FINANCIAL ASSISTANCE 327 483,498 COMMUNITY HEALTH EDUCATION 20,566 366,923 DIABETES EDUCATION AND SUPPORT PROGRAMS 1,248 270,607 COMMUNITY FLU VACCINES 4,040 11,175 HEALTH PROFESSIONS EDUCATION PHYSICIANS AND MEDICAL STUDENTS 32 1,388,154 NURSES/NURSING STUDENTS 20 583,403 SUBSIDIZED HEALTH SERVICES EMERGENCY SERVICES 54,142 6,594,275 WOMEN'S AND CHILDREN SERVICES 3,472 3,176,173 BEHAVIORAL HEALTH SERVICES 439 1,999,388 OUTPATIENT SERVICES 98,595 18,223,246 OTHER SUBSIDIZED HEALTH SERVICES 3,261 6,791,907 FINANCIAL CONTRIBUTIONS 16,590 296,918 OTHER COMMUNITY SERVICES 2,151 149,195 --------- ---------- TOTAL 204,883 40,334,862

Additional Data

Software ID:
Software Version:
EIN: 85-0127924
Name: SAN JUAN REGIONAL MEDICAL CENTER

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
SCHEDULE H, PART V, SECTION B, LINE 3	
SCHEDULE H, PART V, SECTION B, LINE 4	SAN JUAN REGIONAL REHABILITATION HOSPITAL INC
SCHEDULE H, PART V, SECTION B, LINE 5A	THE CHNA IS AVAILABLE TO THE PUBLIC USING THE FOLLOWING URL WWW SANJUANREGIONAL COM/COMMU NITY-ASSESSMENT SCHEDULE H, PART V, SECTION B, LINE 6I SAN JUAN REGIONAL MEDICAL CENTER HE LD A MEETING OF KEY COMMUNITY LEADERS WHO VOTED ON THE TOP SIX HEALTH PRIORITIES (1) ACCE SS TO HEALTHCARE, (2) CANCER, (3) DIABETES, (4) MATERNAL - INFANT - CHILD HEALTH, (5) MENT AL HEALTH, AND (6) NUTRITION & WEIGHT STATUS THROUGH THE PARTNERSHIP COMMITTEE OF THE BOA RD OF DIRECTORS OF SAN JUAN REGIONAL MEDICAL CENTER, ALL PROJECTS FUNDED BY THE COMMITTEE THROUGH THE COMMUNITY REINVESTMENT FUND MUST TIE TO ONE OF THE TOP SIX PRIORITIES IDENTIFI ED IN THE CHNA AND PRIORITIZED BY THE KEY COMMUNITY LEADERS SCHEDULE H, PART V, SECTION B , LINE 7 THE ENTIRE CHNA IDENTIFIED 28 SPECIFIC HEALTH ISSUES BUDGETARY CONSTRAINTS, TIME AND LACK OF OTHER NECESSARY RESOURCES PREVENTED US FROM ADDRESSING ALL OF THE ISSUES IN T HE REPORT

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

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

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

Name and address	Type of Facility (describe)
SJRMC CARDIOLOGY 407 S SWARTZ SUITE 202 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC INTERNAL MEDICINE 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC BLOOMFIELD CLINIC 100 N CHURCH STREET BLOOMFIELD,NM 87413	MEDICAL CLINIC
SAN JUAN NEURODIAGNOSTIC CENTER 407 S SCHWARTZ STE 101 FARMINGTON,NM 87401	MEDICAL CLINIC
SAN JUAN PEDIATRICS 407 S SCHWARTZ STE 102 FARMINGTON,NM 87401	MEDICAL CLINIC
FOUR CORNERS NEUROSURGERY 407 S SCHWARTZ STE 101 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC MIDWIFERY CLINIC 655 WEST PINON FARMINGTON,NM 87401	MEDICAL CLINIC
OUTPATIENT BEHAVIORAL HEALTH CLINIC 555 S SCHWARTZ FARMINGTON,NM 87401	MEDICAL CLINIC
URGENT CARE CENTER 4820 E MAIN STREET FARMINGTON,NM 87402	MEDICAL CLINIC
SJR WOUND CARE CENTER 4251 ENGLISH ROAD FARMINGTON,NM 87402	MEDICAL CLINIC
SJR CANCER TREATMENT CENTER 731 W ANIMAS STREET FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC OUTPATIENT DIAGNOSTIC CENTER 2300 E 30TH STREET BLDG C FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #1 730 S LAKE STREET FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #2 902 W BROADWAY BLOOMFIELD,NM 87412	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #3 484 S OLIVER STREET AZTEC,NM 87410	MEDICAL CLINIC

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

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

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

Name and address	Type of Facility (describe)
SJRMC EMS STATION - MEDIC #4 4 CR 3660 KIRTLAND,NM 87117	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #5 3782 ENGLISH RD FARMINGTON,NM 87402	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #6 2014 E 16TH STREET FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC EMS STATION - MEDIC #10 737 W ANIMAS STREET FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC AZTEC CLINIC 120 LLANO STREET AZTEC,NM 87410	MEDICAL CLINIC
GENERAL SURGERY CLINIC 630 W MAPLE FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC AUDIOLOGY 816 W MAPLE FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC OUTPATIENT REHABILITATION 301 S AUBURN AVE FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC PEDIATRIC OUTPATIENT REHAB 810 W MAPLE FARMINGTON,NM 87401	MEDICAL CLINIC

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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**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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. Part II can be duplicated 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) SAN JUAN UNITED WAY 903 W APACHE FARMINGTON, NM 87401	85-0165322	501(c)(3)	103,867	0			COUNSELING FOR VICTIMS OF SEXUAL ASSAULT
(2) SAN JUAN COLLEGE FOUNDATION 4601 COLLEGE BLVD FARMINGTON, NM 87401	23-7272197	501(c)(3)	55,000	0			BRING HEALTH EDUCATION TO THE LOCAL AREA
(3) SEXUAL ASSAULT SERVICES 622 W MAPLE STE H FARMINGTON, NM 87401	20-3187125	501(C)(3)	32,500				PROGRAM SUPPORT
(4) Galloping Goose Historical Society PO BOX 297 FARMINGTON, NM 81323	74-2501656	501(C)(3)	6,000				PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 4

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

Return Reference	Explanation
SCHEDULE I, PART 1, LINE 2	EVENT FUNDING/SPONSORSHIP REQUEST GUIDELINES SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) RECOGNIZES THE VALUE OF COMMUNITY PARTNERSHIPS AND, ON A LIMITED BASIS, OFFERS SUPPORT TO ITS COMMUNITY PARTNERS BY SHARING OUR RESOURCES INCLUDING THE TIME AND TALENT OF OUR PHYSICIANS AND EMPLOYEES, AS WELL AS OUR FINANCIAL AND IN-KIND SUPPORT SAN JUAN REGIONAL MEDICAL CENTER HAS ESTABLISHED CRITERIA TO ENSURE ALIGNMENT WITH OUR MISSION AND TO ALLOW US TO STRATEGICALLY FOCUS OUR LIMITED RESOURCES IN ORDER TO MAXIMIZE THEIR IMPACT SPONSORSHIP REQUESTS ARE EVALUATED BASED ON, BUT NOT LIMITED TO, THE FOLLOWING CRITERIA - ALIGNMENT WITH SJRMC'S MISSION TO PERSONALIZE HEALTHCARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING - ALIGNMENT AND OPPORTUNITY TO PROMOTE STRATEGIC SERVICE LINES AND BUSINESS OBJECTIVES - COMMUNITY AND NEIGHBORHOOD DEVELOPMENT - MAGNITUDE OF IMPACT AND REACH (NUMBER OF INDIVIDUALS SERVED) - DEPTH AND BREADTH OF PARTNERSHIP WITH REQUESTING ORGANIZATION ALL REQUESTS MUST BE RECEIVED AT LEAST 4 WEEKS IN ADVANCE OF THE SPONSORSHIP DEADLINE SPONSORSHIP REQUESTS ARE REVIEWED THROUGH OUR MARKETING DEPARTMENT THE REQUEST SHOULD PROVIDE APPROPRIATE AND COMPLETE DETAILS REGARDING THE SPONSORSHIP REQUEST PLEASE BE PREPARED TO PROVIDE THE ADDITIONAL INFORMATION ABOUT YOUR REQUEST, IF NEEDED SPONSORSHIP REQUESTS OF MORE THAN $3,000 MUST BE REVIEWED BY THE PARTNERSHIP COMMITTEE OF SJRMC'S BOARD OF DIRECTORS I APPLICANT INFORMATION - MUST BE WRITTEN ON OFFICIAL LETTERHEAD - NAME OF PERSON OR ORGANIZATION REQUESTING FUNDING AND/OR SPONSORSHIP - NAME, EMAIL ADDRESS, AND PHONE NUMBER OF PRIMARY CONTACT FOR THE REQUEST/ INDIVIDUAL FILLING OUT THE REQUEST II EVENT DETAILS 1 DESCRIPTION (250 WORDS MAXIMUM) - DESCRIBE HOW THE EVENT BEING SPONSORED RELATES TO SJRMC'S MISSION - DESCRIBE THE PURPOSE OF THE EVENT BEING SPONSORED AND THE TARGET AUDIENCE 2 LOGISTICS - IF AVAILABLE, PROVIDE THE TITLE, DATE, AND TIME OF THE EVENT - IF AVAILABLE AND APPLICABLE, LIST THE PROPOSED EVENT LAYOUT (E G , PANEL, CONFERENCE, SEMINAR, ETC) AND AGENDA FOR THE EVENT 3 FUNDING - INDICATE AMOUNT REQUESTED FROM SJRMC - DESCRIBE THE EXPENSES SJRMC'S FUNDS WILL BE USED TO COVER - PROVIDE WHAT OTHER ORGANIZATIONS ARE SUPPORTING YOUR EVENT (INDICATING AMOUNTS REQUESTED, WHICH ARE PENDING, AND WHICH ARE CONFIRMED) - WHAT WILL SJRMC RECEIVE IN EXCHANGE FOR ITS CONTRIBUTION PLEASE SUBMIT ALL MATERIALS TO MARKETING MANAGER C/O SAN JUAN REGIONAL MEDICAL CENTER 657 WEST MAPLE STREET FARMINGTON, NM 87401

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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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 idemnification 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**		
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

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

Return Reference	Explanation
SCHEDULE J, PART I, LINE 4B	SAN JUAN REGIONAL MEDICAL CENTER HAS A 457(F) DEFERRED COMPENSATION PLAN THAT ALLOWS CERTAIN EXECUTIVES TO CONTRIBUTE MONEY ON A PRE-TAX BASIS INTO INVESTMENTS AND TO ACCUMULATE TAX-DEFERRED EARNINGS THE FOLLOWING PRE-TAX CALENDAR YEAR 2013 CONTRIBUTIONS TO THE 457(F) PLAN ARE INCLUDED IN SCHEDULE J, PART II, COLUMN (C) AS DEFERRED COMPENSATION JOHN BUFFINGTON $ 17,982 J MICHAEL PHILIPS $ 19,646 SUZANNE SMITH $ 10,242 RICK WALLACE $ 33,251
SUPPLEMENTAL COMPENSATION INFORMATION	MANAGEMENT INCENTIVE PLAN SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) HAS A SENIOR MANAGEMENT INCENTIVE COMPENSATION PLAN FOR SELECTED SENIOR MANAGEMENT POSITIONS AN AWARD TARGET IS ESTABLISHED FOR EACH PARTICIPANT PERFORMANCE IS BASED ON EIGHT GOALS, TWO OF WHICH ARE HOSPITAL EXCESS OF REVENUES OVER EXPENSES PERCENTAGE AND TOTAL HOSPITAL EARNINGS THE AWARD IS A PERCENTAGE OF BASE PAY IF CERTAIN TARGETS ARE MET
SUPPLEMENTAL COMPENSATION INFORMATION	SCHEDULE J, PART II THE COMPENSATION REPORTED IN PART VII FOR HOLLY ABERNATHY, MD IS FOR A DIRECTORSHIP, NOT FOR SERVICES RENDERED AS A BOARD MEMBER THE COMPENSATION REPORTED FOR CHARLES HOFFMAN MD IS FROM HIS CURRENT EMPLOYMENT, NOT FOR SERVICES RENDERED AS A BOARD MEMBER

Additional Data

Software ID:
Software Version:
EIN: 85-0127924
Name: SAN JUAN REGIONAL MEDICAL CENTER

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				
CHARLES HOFFMAN DIRECTOR/CHIEF OF STAFF	(I) (II)	332,638 0	44,286 0	6,682 0	7,650 0	21,779 0	413,035 0	0 0
RICK WALLACE PRESIDENT/CEO	(I) (II)	419,837 0	107,104 0	17,755 0	51,101 0	8,674 0	604,471 0	0 0
JOHN BUFFINGTON COO	(I) (II)	280,182 0	77,314 0	16,668 0	35,832 0	21,733 0	431,729 0	0 0
J MICHAEL PHILIPS CSO	(I) (II)	289,353 0	80,721 0	17,180 0	37,496 0	24,279 0	449,029 0	0 0
SUZANNE SMITH CHIEF NURSING OFFICER	(I) (II)	184,218 0	53,246 0	18,789 0	25,617 0	21,779 0	303,649 0	0 0
TIBOR BOCO DOCTOR	(I) (II)	743,812 0	10,000 0	17,059 0	16,400 0	21,779 0	809,050 0	0 0
EDWARD MAURIN DOCTOR	(I) (II)	680,829 0	3,010 0	0 0	8,750 0	21,779 0	714,368 0	0 0
CHARLES E WILKINS DOCTOR	(I) (II)	603,274 0	30,000 0	16,500 0	15,900 0	21,779 0	687,453 0	0 0
MARC A FLITTER DOCTOR	(I) (II)	604,300 0	1,090 0	17,741 0	17,850 0	21,779 0	662,760 0	0 0
LUTHER B III WEATHERS DOCTOR	(I) (II)	565,414 0	30,120 0	119 0	7,650 0	21,779 0	625,082 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 1545-0047

2013

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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	CITY OF FARMINGTON NM - 2004A	85-6000129	311428AZ9	03-25-2004	16,982,883	CONSTRUCTION OF TOWER/NEW EQUIP		X		X		X
B	CITY OF FARMINGTON NM - 2007A	85-6000129	311428BNS	06-28-2007	12,290,518	CONSTRUCTION OF CANCER TRMT CENTER		X		X		X
C	NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010A2010	84-0426875		12-21-2010	25,773,000	REFUND 2004B, FINANCE EQUIP/CONST		X		X		X
D	NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010B	84-0426875	647370FK6	12-21-2010	8,800,000	CONST MOB PERD/NEURO		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,260,000	2,605,000	3,338,676	490,000
2	Amount of bonds legally defeased	0	0	0	0
3	Total proceeds of issue	17,087,788	12,457,932	25,773,063	8,800,248
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	151,201	0	13,498
6	Proceeds in refunding escrows	0	0	0	0
7	Issuance costs from proceeds	339,658	245,810	205,429	13,200
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	16,748,130	12,212,122	25,567,634	8,800,495
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2007	2010	2011	2011

		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	X			X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		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		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 %		0 %		0 %		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 ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X		X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		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			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		X	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
	SCHEDULE K, PART II, LINE 3, COLUMN A-D THE EXCESS OF "TOTAL PROCEEDS" OVER "ISSUE PRICE" IS DUE TO INVESTMENT EARNINGS SCHEDULE K, PART I, LINE C THE 2010 LEASE PROJECT OBLIGATION PORTION OF THIS ISSUE IN THE AMOUNT OF $8,103,000 HAS NOT BEEN DESIGNATED AS A QUALIFIED TAX-EXEMPT OBLIGATION THESE ARE BUILD AMERICA BONDS

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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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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	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	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	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) ANNA BUFFINGTON	JOHN BUFFINGTON / COO	124,041	EMPLOYEE PAY		No
(2) ERIC BUFFINGTON	JOHN BUFFINGTON / COO	58,348	EMPLOYEE PAY		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
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Return Reference	Explanation
FORM 990, PART I, LINE 6	SJRMC HAS A TOTAL OF 200 VOLUNTEERS THAT PROVIDE SERVICE TO THE FOLLOWING AREAS ADMINISTRATIVE SUPPORT, CANCER TREATMENT CENTER, CARDIAC REHABILITATION, COURIER/PATIENT TRANSPORT, CRAFTY CREATIONS, DIETARY, GIFT MARKET, INFORMATION DESK, MAIL CALL, MEDICAL RECORDS AND AUXILIARY MEMBERSHIP

Return Reference	Explanation
FORM 990, PART III, LINE 4	SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) IS A MODERN ACUTE-CARE HOSPITAL LOCATED IN ONE OF THE MOST RURAL AREAS OF THE AMERICAN SOUTHWEST SAN JUAN COUNTY, NM A 2010 ESTIMATE OF THE POPULATION OF SAN JUAN COUNTY SHOWS THE COUNTY POPULATION HAS GROWN 14 3% FROM THE YEAR 2000 TO 2010 AND NOW NUMBERS APPROXIMATELY 130,044, 37% OF WHICH IS AMERICAN INDIAN AND ALASKA NATIVE PERSONS SJRMC IS A SOLE COMMUNITY PROVIDER AND DISPROPORTIONATE SHARE HOSPITAL PROVIDING NEEDED HEALTHCARE TO RESIDENTS OF THE FOUR CORNERS REGION OF NEW MEXICO, ARIZONA, UTAH AND COLORADO SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTHCARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING OUR CORE VALUES ARE ACTIVELY TAUGHT, AND REINFORCED, TO STAFF, MANAGEMENT AND PHYSICIANS SO THAT THE ORGANIZATION MAY ACHIEVE EXCELLENCE AND CONSISTENCY IN PATIENT CARE SJRMC IS A COMMUNITY GOVERNED HOSPITAL THAT WAS FOUNDED IN 1910 BY DRS A M SMITH AND G W SAMMONS THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF UP TO THREE REPRESENTATIVES FROM EACH OF 90 NON-PROFIT ORGANIZATIONS IN SAN JUAN COUNTY THE CORPORATION MEETS QUARTERLY, AND, AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT 9 MEMBERS TO THE GOVERNING BOARD OF DIRECTORS THE CORPORATION RECEIVES REPORTS FROM THE BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION ON HOSPITAL OPERATIONS INCLUDING QUALITY AND FINANCE AND PROVIDES FEEDBACK ON COMMUNITY HEALTH ISSUES SJRMC PROVIDES MEDICAL, SURGICAL, PEDIATRICS, ONCOLOGY, OBSTETRICS, CARDIOLOGY, AND BEHAVIORAL HEALTH INPATIENT CARE AMBULATORY CARE INCLUDES DAY SURGERY, URGENT CARE, OUTPATIENT DIAGNOSTIC AND TREATMENT SERVICES SJRMC IS A LEVEL III TRAUMA CENTER THAT PROVIDES GROUND AMBULANCE AND AIR AMBULANCE SERVICE WITH A HELICOPTER AND A FIXED WING AIRCRAFT AS WELL AS SERVICES THROUGH ITS EMERGENCY DEPARTMENT TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY SOME OF OUR OUTPATIENT SERVICES ARE PHYSICIAN CLINICS SPECIALIZING IN CARDIOLOGY, BEHAVIORAL HEALTH, INTERNAL MEDICINE, NEUROSURGERY, NEURODIAGNOSTICS, URGENT CARE CENTER AND PEDIATRICS OUR FINANCIAL AND IN-KIND CONTRIBUTIONS WENT TO VARIOUS LOCAL CHARITIES SUCH AS NAVAJO MINISTRIES, FAMILY CRISIS CENTER, LOCAL SCHOOL DISTRICTS, SENIOR CENTERS AND TOTAH BEHAVIORAL HEALTH THE OTHER COMMUNITY SERVICES NOTED ABOVE PROVIDE CARE FOR SURGERY, GASTROINTESTINAL, ORTHOPEDICS, ONCOLOGY, NEURO AND CARDIAC REHAB

Return Reference	Explanation
FORM 990, PART VI, LINES 6 AND 7A	SAN JUAN REGIONAL MEDICAL CENTER IS A COMMUNITY-GOVERNED HOSPITAL THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF TWO REPRESENTATIVES FROM ABOUT 90 NON-PROFIT ORGANIZATION MEMBERS IN SAN JUAN COUNTY AFTER TEN YEARS OF SERVICE AS A REPRESENTATIVE, AN INDIVIDUAL MAY BE DESIGNATED BY THE CORPORATION AS A SENIOR CORPORATE DELEGATE AND SHALL NO LONGER BE CONSIDERED TO BE THE REPRESENTATIVE OF THE MEMBER ORGANIZATION THE MEMBER ORGANIZATION MAY THEN DESIGNATE ANOTHER REPRESENTATIVE IN ADDITION TO THE SENIOR CORPORATE DELEGATE THE HOSPITAL CORPORATION MEETS QUARTERLY AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT NINE VOTING MEMBERS TO SJRMC'S BOARD OF DIRECTORS OF THE NINE, THREE MUST BE ELECTED FROM THE MEMBER REPRESENTATIVES OR SENIOR CORPORATE DELEGATES IN ADDITION TO THE NINE ELECTED DIRECTORS, THE SJRMC CHIEF OF THE STAFF AND VICE CHIEF OF STAFF AND A HOSPITAL AUXILIARY APPOINTEE ALSO SERVE AS SJRMC DIRECTORS FOR A TOTAL OF TWELVE VOTING MEMBERS OF THE BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, LINE 11B	THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON DATA PROVIDED BY MANAGEMENT A DRAFT COPY OF THE 990 IS PROVIDED TO MANAGEMENT FOR REVIEW A MEETING IS CONDUCTED BY THE ACCOUNTING FIRM TO REVIEW THE RETURN IN DETAIL WITH MANAGEMENT ANY QUESTIONS ARE ADDRESSED AND ANY NECESSARY CHANGES ARE MADE TO THE RETURN THE FINAL DRAFT OF THE FORM 990 IS PROVIDED TO THE AUDIT COMMITTEE ALONG WITH A BRIEF EDUCATION SESSION CONDUCTED BY THE ACCOUNTING FIRM TO DISCUSS THE HIGHLIGHTS OF THE FORM THE FINAL DRAFT OF THE FORM 990 IS THEN PROVIDED TO EACH BOARD MEMBER PRIOR TO FILING

Return Reference	Explanation
FORM 990, PART VI, LINE 12C	SAN JUAN REGIONAL MEDICAL CENTER HAS A CONFLICT OF INTEREST POLICY THAT EACH BOARD MEMBER, OFFICER AND KEY EMPLOYEE IS REQUIRED TO FILL OUT ON AN ANNUAL BASIS THIS CONFLICT OF INTEREST POLICY SPECIFICALLY ASKS QUESTIONS REGARDING BUSINESS AND PERSONAL RELATIONSHIPS THAT THEY MAY HAVE WITH ANY OTHER BOARD MEMBER, OFFICER AND KEY EMPLOYEE OF ANY BUSINESS THAT DEALS WITH SAN JUAN REGIONAL MEDICAL CENTER OR ANY OF ITS AFFILIATES IF A CONFLICT IS IDENTIFIED, IT MUST BE REPORTED TO THE COMPLIANCE OFFICER, AND IF IT CONSTITUTES A BREACH OF EMPLOYMENT, IT MAY LEAD TO DISCIPLINARY ACTION

Return Reference	Explanation
FORM 990, PART VI, LINES 15A & 15B	THE BOARD OF DIRECTORS FOR SAN JUAN REGIONAL MEDICAL CENTER USES THE FOLLOWING COMPARABLE DATA WHEN DETERMINING THE COMPENSATION FOR THE CEO AND SENIOR MANAGEMENT, REGIONAL / LOCAL AREA NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, NATIONAL NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, AND OTHER RELEVANT COMPARATORS (E.G., FOR PROFIT HEALTHCARE AND/OR GENERAL INDUSTRY ORGANIZATIONS) OF COMPARABLE SIZE AND COMPLEXITY, ONLY WHEN COMPETITIVE CIRCUMSTANCES WARRANT THESE MARKETS. ADDITIONALLY, THE BOARD BI-ANNUALLY HAS AN INDEPENDENT OUTSIDE FIRM COMPARE THE CEO'S COMPENSATION WITH OTHER HEALTHCARE ORGANIZATIONS TO REMAIN COMPETITIVE. THE PROCESS WAS LAST COMPLETED IN 2012. THE PROCESS IS DOCUMENTED IN THE BOARD MINUTES WHEN PRESENTED TO THEM

Return Reference	Explanation
FORM 990, PART VI, LINE 19	SAN JUAN REGIONAL MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

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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 1545-0047

2013

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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) SAN JUAN HEALTH PARTNERS 801 WEST MAPLE STREET FARMINGTON, NM 87401 27-2367549	HEALTHCARE	NM	501(c)(3)	3	SJRMC	Yes	
(2) SAN JUAN REGIONAL RHABILITATION HOSPITAL 525 SOUTH SCJWARTZ 2 FARMINGTON, NM 87401 85-0441767	HEALTHCARE	NM	501(c)(3)	3	SJRMC	Yes	
(3) AUXILIARY OF SAN JUAN REGIONAL MED CTR 801 WEST MAPLE STREET FARMINGTON, NM 87401 23-7164296	HOSP SUPPORT	NM	501(C)(3)	11C, III-FI	NA		No
(4) ROBERT W UMBACH CANCER FOUNDATION PO BOX 110 FARMINGTON, NM 87499 91-2082876	CANCER SUPP	NM	501(C)(3)	PF	SJRMC	Yes	

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

(a) 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) Disproprtionate 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) SJR HOLDING COMPANY INC 801 W MAPLE STREET FARMINGTON, NM 87401 20-1126483	SUPPORT SERVICES	NM	SJRMC	C Corp	428,146	1,475,061	100 000 %	Yes	

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization 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		No
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	Yes	
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		No
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		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
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) SJR HOLDING COMPANY INC	F	180,000	CASH
(2) SAN JUAN REGIONAL REHABILITATION CENTER	Q	237,799	COST
(3) SAN JUAN REGIONAL REHABILITATION CENTER	Q	144,000	FAIR VALUE
(4) AUXILIARY OF SAN JUAN REGIONAL MED CTR	C	66,553	CASH

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) Disproprtionate 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	

Part VII Supplemental Information

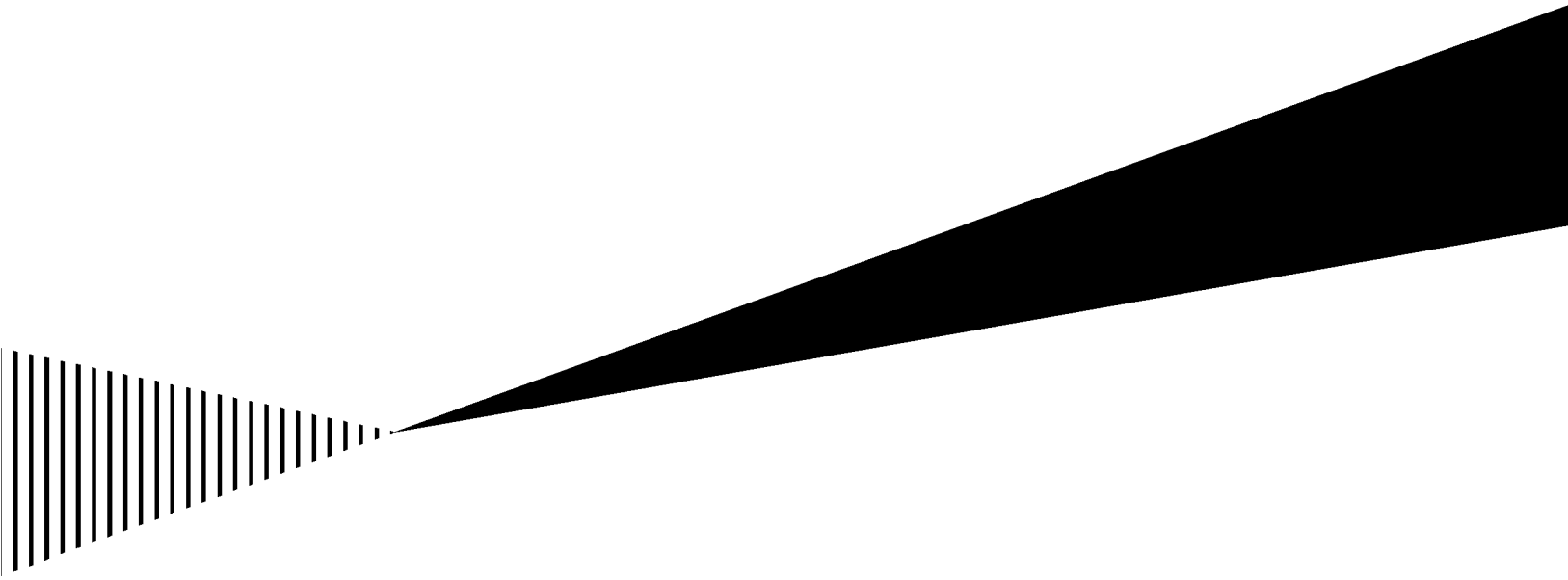
Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

San Juan Regional Medical Center, Inc and Affiliates
Years Ended June 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



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Building a better working world

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2014 and 2013

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Building a better working world

Report of Independent Auditors

The Board of Directors
San Juan Regional Medical Center, Inc

We have audited the accompanying consolidated financial statements of San Juan Regional Medical Center, Inc and Affiliates, which comprise the consolidated balance sheets as of June 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 Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of San Juan Regional Medical Center, Inc and Affiliates at June 30, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst + Young LLP

September 29, 2014

A member firm of Ernst & Young Global Limited

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Balance Sheets

	June 30	
	2014	**2013**
Assets		
Current assets		
Cash and cash equivalents	**$ 29,800,419**	$ 26,981,869
Short-term investments	**7,157,463**	5,712,027
Current portion of assets whose use is limited	**269,010**	268,630
Patient accounts receivable, net of allowance for doubtful accounts of $23,000,000 in 2014 and $20,900,000 in 2013	**37,215,637**	33,176,664
Other receivables	**1,396,520**	1,211,543
Current portion of insurance receivable	**1,733,000**	2,681,000
Inventories	**3,757,446**	3,725,408
Prepaid expenses and other	**4,617,068**	4,059,516
Total current assets	**85,946,563**	77,816,657
Long-term investments	**35,465,739**	36,403,432
Assets whose use is limited, less current portion	**83,777,283**	76,214,300
Insurance receivable, less current portion	**4,042,000**	4,854,000
Property and equipment, net	**144,345,494**	152,261,611
Notes receivable, joint ventures and other	**5,559,533**	7,144,453
Total assets	**$ 359,136,612**	$ 354,694,453
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 5,011,957**	$ 5,528,328
Accrued expenses	**21,585,311**	22,405,394
Current portion of long-term debt	**3,759,444**	3,686,162
Current portion of professional and general insurance liability	**1,847,000**	2,787,000
Estimated third-party payor settlements, net	**8,759,002**	6,192,844
Total current liabilities	**40,962,714**	40,599,728
Long-term debt, less current portion	**58,217,789**	62,006,225
Professional and general insurance liability, less current portion	**7,672,000**	8,485,000
Other long-term liabilities	**2,928,502**	4,035,592
Total liabilities	**109,781,005**	115,126,545
Net assets	**249,355,607**	239,567,908
Total liabilities and net assets	**$ 359,136,612**	$ 354,694,453

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2014	**2013**
Revenue		
Patient service	**$ 273,945,656**	$ 273,758,724
Provision for doubtful accounts	**(33,012,856)**	(30,679,458)
Net patient service revenue	**240,932,800**	243,079,266
Investment income, gains and losses	**8,879,620**	5,355,901
Other	**10,235,964**	6,176,366
Total revenue	**260,048,384**	254,611,533
Expenses		
Salaries and wages	**116,696,054**	115,986,680
Employee benefits	**34,633,314**	36,687,760
Supplies, services and other	**51,454,279**	50,870,381
Purchased services	**28,768,260**	25,868,414
Depreciation and amortization	**13,866,207**	13,550,611
Rent and leases	**2,609,214**	2,658,006
Interest	**2,361,639**	2,507,905
Total expenses	**250,388,967**	248,129,757
Excess of revenue over expenses	**9,659,417**	6,481,776
Contributions designated for fixed assets	**128,282**	–
Increase in net assets	**9,787,699**	6,481,776
Net assets, beginning of year	**239,567,908**	233,086,132
Net assets, end of year	**$ 249,355,607**	$ 239,567,908

See accompanying notes.

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2014	**2013**
Operating activities		
Increase in net assets	**$ 9,787,699**	$ 6,481,776
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**13,866,207**	13,550,611
Provision for doubtful accounts	**33,012,856**	30,679,458
Contributions of property and equipment	**(128,282)**	–
Loss (gain) on sale of property and equipment	**9,171**	(4,100)
Changes in assets and liabilities		
Patient accounts receivable	**(37,051,829)**	(30,528,375)
Other receivables	**(184,977)**	500,634
Inventories and prepaid expenses	**(589,590)**	(233,822)
Investments designated as trading, net	**(8,071,106)**	(4,576,509)
Notes receivable, joint ventures, and other	**1,501,850**	1,787,257
Accounts payable	**(516,371)**	2,489,421
Accrued expenses	**(820,083)**	775,321
Insurance receivable	**1,760,000**	1,443,000
Professional and general insurance liability	**(1,753,000)**	(1,202,000)
Estimated third-party payor settlements	**2,566,158**	2,674,629
Other long-term liabilities	**(1,107,090)**	(1,113,860)
Net cash provided by operating activities	**12,281,613**	22,723,441
Investing activities		
Purchases of property and equipment	**(5,747,909)**	(8,605,202)
Proceeds from sales of property and equipment	**–**	4,100
Net cash used in investing activities	**(5,747,909)**	(8,601,102)
Financing activities		
Repayment of long-term debt	**(3,715,154)**	(7,422,032)
Net cash used in financing activities	**(3,715,154)**	(7,422,032)
Net increase in cash and cash equivalents	**2,818,550**	6,700,307
Cash and cash equivalents, beginning of year	**26,981,869**	20,281,562
Cash and cash equivalents, end of year	**$ 29,800,419**	$ 26,981,869
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	**$ 2,359,368**	$ 2,570,332
Net assets transferred from County	**$ 128,282**	$ –

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2014

1. Organization

San Juan Regional Medical Center, Inc (the Hospital) is a New Mexico not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income The Hospital is located in Farmington, New Mexico, and was incorporated in 1952 to furnish medical and surgical care to the residents of San Juan County (the County), New Mexico

San Juan Regional Rehabilitation Hospital, Inc (SJRRH) is a New Mexico not-for-profit organization located in Farmington, New Mexico, and is exempt from federal and state income taxes on related income The Hospital is the sole member of SJRRH SJRRH provides rehabilitation services primarily to the residents of the County

SJR Holding Company, Inc (SJH) is a New Mexico for-profit corporation and a wholly owned subsidiary of the Hospital SJH's ownership interest in an ambulatory surgery center is SJH's only activity

2. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital, SJRRH, and SJH (collectively referred to as the Company) Intercompany transactions have been eliminated in consolidation

Use of Estimates

The preparation of the Company's 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 financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less, excluding assets whose use is limited by the Hospital and SJRRH Boards of Directors' (the Boards) designation or by other arrangements under trust agreements

Investments and Assets Whose Use Is Limited

Investments in equity securities (other than those accounted for under the equity method) and all investments in debt securities are measured at fair value Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses Unrealized gains and losses on investments are also included in the excess of revenues over expenses, as the investments are classified as trading securities

Short-Term Investments

Short-term investments include certificates of deposit, money market investments, and other investment securities that will be liquidated within the next fiscal year

Assets Whose Use Is Limited

Assets whose use is limited consist primarily of assets designated by the Boards for future capital improvements, over which the Boards retain control and may, at their discretion, use for other purposes, deferred compensation arrangements, and assets restricted under the terms of the outstanding hospital revenue bond issues Amounts required to meet current liabilities have been classified as current in the accompanying consolidated balance sheets at June 30, 2014 and 2013

Inventories

Inventories consist of drugs and medical supplies and are stated at the lower of cost (which approximates the first-in, first-out method) or market value

Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is provided over the estimated useful life of each class of depreciable asset (which ranges from 3 to 40 years) and is

2. Summary of Significant Accounting Policies (continued)

computed using the straight-line method Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements

The following useful lives are used by the Company

Building improvements	20 years
Buildings	40 years
Equipment	3–15 years

Interest cost incurred on borrowed funds, net of interest earned on assets held by trustee during the period of construction of capital projects, is capitalized as a component of the cost of acquiring those assets

Net Patient Accounts Receivable and Service Revenue

Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected In evaluating the collectibility of accounts receivable, the Company 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 doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely) For receivables associated with self-pay patients, the Company records a 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 rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

2. Summary of Significant Accounting Policies (continued)

The Company has agreements with third-party payors that provide for payments to the Company 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 reported 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 considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

Other Revenue

Other revenue includes gains and losses on the sales of assets, contributions, cafeteria sales, rental income, and revenue from other miscellaneous sources

Starting in 2011, the Medicare and Medicaid programs are providing an incentive payment to eligible hospitals and professionals if meaningful-use certified electronic health record (EHR) technology is adopted The incentive payment is recognized when management is reasonably assured that San Juan Regional Medical Center has complied with the conditions set forth by Medicare and Medicaid Approximately $3,474,000 in incentive payments were recognized in other revenue for the year ended June 30, 2014, relating to the Medicare and Medicaid incentive programs

Contributions

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received The gifts are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and recognized as a component of other revenue, unless the donation was for property and equipment, in which case it is recognized as a change in net assets Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions

2. Summary of Significant Accounting Policies (continued)

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include contributions restricted for the acquisition of property and equipment and contributed property

Uncertainty in Income Taxes

Accounting Standards Codification (ASC) 740, *Income Taxes*, prescribes criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition In accordance with this accounting guidance, management has reviewed its tax positions and has determined that the Company has no significant uncertain tax positions

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2014-9, *Revenue from Contracts with Customers* (ASU 2014-9) ASU 2014-9 provides for a single comprehensive principles-based standard for the recognition of revenue across all industries through the application of the following five-step process

Step 1 Identify the contract(s) with a customer
Step 2 Identify the performance obligations in the contract
Step 3 Determine the transaction price
Step 4 Allocate the transaction price to the performance obligations in the contract
Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation

Among other provisions and in addition to expanded disclosure about the nature, timing and uncertainty of revenue, as well as certain additional quantitative disclosures, ASU 2014-9 changes the health care industry specific presentation guidance under ASU 2011-7, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain health Care Entities* (ASU 2011-7) The provisions of ASU 2014-9 are effective for annual periods beginning after December 15, 2016, including interim periods within those years Early adoption is not permitted

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Company has completed an evaluation of all subsequent events through September 29, 2014, which is the issuance date of these consolidated financial statements, and has concluded that no subsequent events have occurred that required recognition or disclosure

3. Net Patient Service Revenue

The Company has the following estimated percentage of patient service revenue by major payor group

	2014	2013
Medicare	**30%**	31%
Managed care	**30**	31
Medicaid	**13**	11
Commercial insurance	**15**	13
Self-pay	**12**	14
	100%	100%

The Company has agreements with third-party payors that provide for payments to the Company 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

Substantially all other services rendered to Medicare beneficiaries are paid at prospectively determined rates including inpatient non-acute services, certain outpatient services, and certain capital costs and medical education costs

3. Net Patient Service Revenue (continued)

Medicaid

Approximately 39% and 46% of services, based on gross revenue, provided to Medicaid program beneficiaries in 2014 and 2013, respectively, were reimbursed by the State of New Mexico Inpatient acute care services rendered to New Mexico Medicaid program beneficiaries not covered by a managed care program are paid at prospectively determined rates per discharge

The Company participates in the New Mexico "Centennial Care" Medicaid managed care program Approximately 53% and 46% of services, based on gross revenue, provided to Medicaid program beneficiaries in 2014 and 2013 were paid under the Centennial Care program by third-party health plans

Approximately 8% of services, based on gross revenue, provided to Medicaid program beneficiaries in 2014 and 2013 were paid by Medicaid programs of other states under various fee-for-service and percentage-of-charge methods The prospectively determined payment rates are determined by each state and are accepted by the Company as payment in full as a condition of participation

Medicare and Medicaid Cost Report Settlements

Government audits of the Hospital's and SJRRH's Medicare cost reports have been completed through June 30, 2010 Appeals have been filed for the Hospital's 2008, 2009, and 2010 cost reports based on specific issues that resulted in underpayments to the Hospital Government audits of the Hospital's and SJRRH's Medicaid cost reports have been completed through June 30, 2010 It is management's opinion that estimated Medicare and Medicaid settlements accrued at June 30, 2014, are adequate to provide for the settlement of the Hospital's and SJRRH's cost reports Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term

3. Net Patient Service Revenue (continued)

Other

The Company has payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to the Company under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

4. Concentration of Credit Risk

The Company grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements The following reflects the estimated percentage of gross patient accounts receivable at June 30 by major payor group

	2014	2013
Medicare	**26%**	25%
Managed care	**19**	18
Medicaid	**17**	10
Commercial insurance	**17**	19
Self-pay	**21**	28
	100%	100%

5. Sole Community Provider Support

The Company receives support from the U S federal government, the state of New Mexico, and the County for the care of indigent patients The Company received approximately $11,346,000 in 2014 and $16,909,000 in 2013 related to the care of indigent patients The amounts received for indigent patient care are included in net patient service revenue in the applicable year In a prior year, Centers for Medicare & Medicaid Services (CMS) identified issues in the methodology used to determine government funding for the Sole Community Provider program Negotiations between the state of New Mexico and the U S federal government resulted in payment reductions to all sole community providers in fiscal 2014 The state of New Mexico filed a section 1115(a) Medicaid demonstration waiver that will be the basis of the New Mexico Medicaid program for five "demonstration years" (calendar years) beginning January 1, 2014 The estimated future reduction in annual funding from current levels has not been finalized

6. Charity Care and Uncompensated Care

In support of its mission and philosophy, the Company provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates A patient is classified as a charity patient according to certain policies established by the Company regarding the ability of the patient to pay Because the Company does not pursue collection of amounts determined to qualify as charity care, such amounts are not recorded as revenue The costs of these services were approximately $1,896,000 and $1,261,000 in 2014 and 2013, respectively These estimates were determined using a ratio of cost-to-gross charges calculated from the Hospital's most recent statement of operations and applying that ratio to the gross charges associated with providing charity care for the period

In addition, the Company provides care to patients under various federal, state, and County public assistance programs such as Medicare, Medicaid, Indian Health Services, and County indigent programs Public programs such as Medicare provide for the elderly Public programs such as Medicaid and County indigent programs provide for the poor and indigent The Indian Health Services program provides for Native Americans These public programs do not always cover the costs of providing these services The following summarizes the unreimbursed costs for services provided to these patients

	2014	2013
Medicare patients	**$ 19,090,000**	$ 18,303,000
Medicaid patients	**15,740,000**	13,268,000
Indian Health Services patients	**1,533,000**	2,139,000
County indigent patients	**2,470,000**	2,186,000
	$ 38,833,000	$ 35,896,000

7. Investments

Assets Whose Use is Limited

Assets whose use is limited were restricted for the following purposes at June 30

	2014	2013
Board-designated for future capital improvements	**$ 82,903,819**	$ 75,581,317
Bond reserve account	**269,010**	268,630
Deferred compensation trust agreement	**873,464**	632,983
	84,046,293	76,482,930
Less current portion required for current liabilities and amounts designated by the Board of Directors for current expenditures	**269,010**	268,630
Assets whose use is limited, less current portion	**$ 83,777,283**	$ 76,214,300

The composition of assets limited as to use at June 30 follows

	2014	2013
Cash and equivalents	**$ 12,312,943**	$ 11,116,038
U S Treasury and government obligations	**22,869,170**	23,495,904
Equity securities	**38,116,967**	31,801,791
Corporate debt securities	**10,747,213**	10,069,197
Assets whose use is limited	**$ 84,046,293**	$ 76,482,930

The composition of investments at June 30 follows

	2014	2013
Certificates of deposit	**$ 5,399,143**	$ 5,422,093
Corporate debt securities	**22,522,349**	18,672,258
Government obligations	**14,701,710**	18,021,108
	42,623,202	42,115,459
Less short-term investments	**7,157,463**	5,712,027
Long-term investments	**$ 35,465,739**	$ 36,403,432

7. Investments (continued)

Corporate Debt and Government Securities – This investment class includes investments in various fixed-income instruments that include investment-grade and high-yield domestic and international bonds, mortgage pools, and bonds issued by U S government agencies This investment class also includes investments in common trust funds, mutual funds, exchange-traded funds, and separately managed accounts that hold investments in fixed-income securities The fixed-income investments are exposed to various kinds and levels of risk, including interest rate risk, credit risk, foreign exchange risk, and liquidity risk

Equity Securities – This investment class consists primarily of common equity securities of domestic and international companies These securities trade through the major public domestic and international exchanges This investment class also includes investments in common trust funds, mutual funds, and exchange-traded funds that hold investments in equity securities The equity securities investments are exposed to various risks, including market risk, individual security risk, foreign exchange risk, and, for common equity of companies with a small market capitalization, liquidity risk

Investment income from assets whose use is limited and investments consists of the following for the years ended June 30

	2014	2013
Interest income on marketable securities and cash and equivalents	**$ 2,738,689**	$ 2,752,952
Realized gain on marketable securities	**1,728,716**	1,707,612
Unrealized gains on marketable securities	**4,001,762**	247,403
Income from joint ventures and other	**410,453**	647,934
	$ 8,879,620	$ 5,355,901

8. Fair Value Measurements

The Company utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows

- Level 1 – Pricing is based on observable inputs for identical instruments such as quoted prices in active markets Financial assets in Level 1 include U S Treasury securities, listed equities, and mutual funds

8. Fair Value Measurements (continued)

- Level 2 – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets Financial assets in this category generally include corporate bonds and federal agency securities

- Level 3 – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities The fair values are, therefore, determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates

Assets measured at fair value are based on one or more of three valuation techniques The three valuation techniques are identified in the tables below Where more than one technique is noted, individual assets were valued using one or more of the noted techniques The valuation techniques are as follows

a) *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets

b) *Cost approach* – Amount that would be required to replace the service capacity of an asset (replacement cost)

c) *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques, option pricing, and excess earnings models

8. Fair Value Measurements (continued)

The following table summarizes financial instruments recorded at fair value that are classified in short-term investments, current portion of assets whose use is limited, long-term investments, and assets whose use is limited as presented on the accompanying consolidated balance sheets as of June 30, 2014 and 2013 The table does not include cash and cash equivalents and certificates of deposit, classified either as assets whose use is limited or investments

	June 30	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
2014					
Corporate debt securities	**$ 33,269,502**	**$ –**	**$ 33,269,502**	**$ –**	a, c
U S Treasury securities	**22,252,400**	**22,252,400**	**–**	**–**	a, c
Equity securities	**38,116,967**	**38,116,967**	**–**	**–**	a
U S government agencies	**15,318,480**	**–**	**15,318,480**	**–**	a
2013					
Corporate debt securities	$ 28,741,456	$ –	$ 28,741,456	$ –	a, c
U S Treasury securities	24,102,844	24,102,844	–	–	a, c
Equity securities	31,801,791	31,801,791	–	–	a
U S government agencies	17,414,168	–	17,414,168	–	a

Fair Value Disclosures

The Company currently has no other financial instruments subject to fair value measurement on a recurring basis Disclosures about the fair value of financial instruments require disclosure of fair value information about those financial instruments, whether or not they are recognized in the balance sheets, but would be practicable to estimate that value Management believes the carrying value of cash, accounts receivable, other receivables, accounts payable, and accrued expenses approximates fair value due to their short-term maturity The fair value of the Company's debt is based upon published or quoted market prices (Level 1) At June 30, 2014 and 2013, the fair value of long-term debt reported in the Company's consolidated balance sheets was approximately $62,521,600 and $66,430,100, respectively

9. Property and Equipment

Property and equipment consisted of the following at June 30

	2014	2013
Land and improvements	**$ 12,152,828**	$ 12,154,943
Buildings and improvements	**176,325,216**	176,049,328
Equipment	**122,141,448**	114,228,250
	310,619,492	302,432,521
Less accumulated depreciation	**168,127,459**	155,113,110
	142,492,033	147,319,411
Construction in progress	**1,853,461**	4,942,200
	$ 144,345,494	$ 152,261,611

The San Juan Regional Medical Center original campus land, buildings, and equipment have been leased from the County since 1952 The lease provides for a 99-year term ending October 2051, at $1 per year Buildings, improvements, and equipment added to San Juan Regional Medical Center's original campus since the inception of the lease will revert to the County at the end of the lease term

Since 2004, the Hospital and the County have initiated several additions and renovations related to the main campus building that the Hospital leases from the County (the Project) The Project was funded by the Hospital and the County The portion of the Project funded by the County is being recognized as a transfer of net assets as the Project is completed In fiscal 2014 and 2013, the Company recorded approximately $128,000 and $0, respectively, of construction in progress and a related transfer of net assets for the portion of the Project completed during the year

10. Notes Receivable, Joint Ventures, and Other

Notes receivable, joint ventures, and other consisted of the following at June 30

	2014	2013
Medical service coverage guarantee	**$ 3,402,608**	$ 4,728,617
Notes receivable from the sale of buildings	**1,268,253**	1,397,762
Investments in joint ventures	**1,433,126**	1,452,650
Deferred financing costs	**942,578**	1,025,648
Other	**100**	100
	7,046,665	8,604,777
Less portion included in current assets	**1,487,132**	1,460,324
	$ 5,559,533	$ 7,144,453

Deferred financing costs were incurred in connection with the issuance of long-term debt These deferred costs are amortized on a straight-line basis over the term of the respective debt which approximates the effective-interest rate method The weighted-average amortization period for these deferred costs is 20 years

Deferred financing costs consisted of the following at June 30

	2014	2013
Gross deferred financing costs	**$ 1,465,167**	$ 1,465,167
Less accumulated amortization	**522,589**	439,519
	$ 942,578	$ 1,025,648

11. Long-Term Debt

Long-term debt consisted of the following at June 30

	2014	2013
Series 2010A bonds – Principal payments are due annually for $14,556,000 of the bonds in installments ranging from $578,000 to $2,050,000 plus interest at a fixed rate of 5 06% through December 1, 2025 Principal payments are due semiannually for $1,710,337 of the bonds in installments ranging from $137,716 to $372,597 plus interest at a fixed rate of 2 67% through December 1, 2017	**$ 14,340,325**	$ 15,323,319
Series 2010B bonds – Principal payments are due annually in installments ranging from $155,000 to $515,000 through June 1, 2040 The bonds currently bear interest at a variable rate due semiannually The variable rate was approximately 20% at June 30, 2014	**8,310,000**	8,480,000
2010 tax-exempt note payable to a capital corporation – Principal payments are due semiannually in installments ranging from $281,866 to $381,488 through December 30, 2020 The note bears interest at a fixed rate of 3 19% and is collateralized by equipment	**4,432,209**	5,050,182
2010 tax-exempt note payable to a capital corporation – Principal payments are due semiannually in installments ranging from $100,050 to $117,075 through 2017 The note bears interest at a fixed rate of 2 42% and is collateralized by equipment	**574,031**	793,063
Series 2007A revenue bonds – Principal payments are due annually in installments ranging from $220,000 to $955,000 through June 10, 2027 The bonds bear interest at a fixed rate of 5 50% The unamortized premium on the Series 2007A Bonds was $151,906 at June 30, 2014	**9,546,906**	10,075,577
Series 2007B revenue bonds – Principal payments are due annually in installments ranging from $100,000 to $663,000 through June 1, 2040 The bonds currently bear interest at a variable rate The variable rate was approximately 20% at June 30, 2014	**8,730,000**	8,860,000

11. Long-Term Debt (continued)

	2014	2013
Series 2004A revenue bonds – Principal payments are due in installments ranging from $540,000 to $2,260,000 through June 1, 2023 The bonds bear interest fixed annually at rates ranging from 3 300% to 5 125% The unamortized premium on the Series 2004A Bonds was $250,027 at June 30, 2014	**$ 14,490,026**	$ 15,126,550
Financial obligation to a limited liability company – Minimum lease payments ranging from $25,373 to $33,292 are due monthly through February 2019 The minimum lease payments are treated as payments of principal and interest at an effective rate of 7 20%	**1,437,979**	1,686,034
Note payable to a limited liability company – Principal payments of approximately $16,537 due monthly through December 2015 This is a non-interest-bearing note	**115,757**	297,662
	61,977,233	65,692,387
Less current portion	**3,759,444**	3,686,162
	$ 58,217,789	$ 62,006,225

Future scheduled principal repayments on long-term debt at June 30, 2014, are as follows

2015	$ 3,759,444
2016	3,814,627
2017	4,914,122
2018	4,707,243
2019	4,954,214
Thereafter	39,425,650
	61,575,300
Add unamortized premiums	401,933
	$ 61,977,233

11. Long-Term Debt (continued)

The Series 2010A Bond issuance during 2011 was a private placement The proceeds were used to retire the Series 2004B Bonds and to finance equipment replacement

During fiscal 2011, the Company issued $8,800,000 of tax-exempt Recovery Zone Facility Bonds (Series 2010B Bonds) The proceeds were used to finance the construction of a physician medical office building and to purchase other equipment The Series 2010B Bonds bear interest at a variable rate determined on a weekly basis The Company has the option to tender the Series 2010B Bonds at par, or to change the interest rate period to another variable interest rate period or to a fixed interest rate The holders of the Series 2010B Bonds may tender the Series 2010B Bonds for purchase under the terms and conditions set forth in the related agreements In connection with the issuance of the Series 2010B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 19, 2015, for approximately $8,916,000 to purchase the outstanding Series 2010B Bonds, if not remarketed The Company also has the option to redeem the Series 2010B Bonds under certain conditions set forth in the related agreements

During fiscal 2011, the Company issued $8,103,000 in tax-exempt financing with a capital corporation The proceeds were used to finance the acquisition of a replacement helicopter and to finance cardiac catheterization lab construction and equipment

During fiscal 2007, the Company issued $12,000,000 in Hospital Revenue Bonds (Series 2007A Bonds) and $12,300,000 in Hospital Revenue Bonds (Series 2007B Bonds) The Series 2007A Bonds were issued at a premium of approximately $290,500 The proceeds of the Series 2007A Bonds and the Series 2007B Bonds are being used to finance various capital asset purchases and to pay for costs of issuance of the bonds

The Series 2007A Bonds maturing on or after June 1, 2018, are subject to optional redemption prior to their respective maturities on June 1, 2017, and, thereafter, in whole or in part at any time, at par

The Series 2007B Bonds bear interest at a variable rate determined on a weekly basis The Company has the option to tender the Series 2007B Bonds at par, or to change the interest rate period on the Series 2007B Bonds to another variable interest rate period or to a fixed interest rate The holders of the Series 2007B Bonds may tender the Series 2007B Bonds for purchase under the terms and conditions set forth in the related agreements In connection with

11. Long-Term Debt (continued)

the issuance of the Series 2007B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 19, 2015, for approximately $9,321,000 to purchase the outstanding Series 2007B Bonds, if not remarketed The Company also has the option to redeem the Series 2007B Bonds under certain conditions set forth in the related agreements On December 21, 2010, the Company called $2,720,000 of the Series B Bonds

In fiscal 2004, the Company issued $16,500,000 in Hospital Revenue Bonds (Series 2004A Bonds) The Series 2004A Bonds were issued at a premium of approximately $483,000 The proceeds of the Series 2004A Bonds were used to finance the Project and to pay for costs of issuance of the bonds

The Series 2004A Bonds maturing on or after June 1, 2015, are subject to redemption at the option of the Hospital prior to their respective maturities on June 1, 2014, and, thereafter, in whole or in part at any time, at par

The Series 2010A Bonds, Series 2010B Bonds, Series 2007A Bonds, Series 2007B Bonds, and Series 2004A Bonds (collectively, the Bonds) are collateralized by a pledge of revenues and monies held in certain funds as required under the bond indenture throughout the term of the related agreements Bonds are subject to various covenants, including but not limited to maintenance of a minimum debt service coverage ratio

In March 2007, the Company entered into a sale agreement and a lease agreement for a building, the Outpatient Diagnostic Center (the ODC) The ODC building sale proceeds in the amount of $2,768,000 were recorded as a financial obligation and are reflected in long-term debt, and the building was retained as a depreciable asset by the Company Payments on the lease are treated as a reduction of the financial obligation At June 30, 2014, the amount remaining on the obligation was $1,433,015 The effective interest rate on the transaction was determined to be 7 2% The original lease term is 12 years, through 2019 The Company has the option to extend the lease with two five-year extensions The Company has an option to purchase the ODC at fair market value at the end of each lease term in 2019, 2024, and 2029

12. Commitments and Contingencies

Malpractice Insurance Coverage

The Company is involved in litigation arising in the ordinary course of business Claims alleging malpractice have been asserted against the Company and are currently in various stages of litigation Additional claims may be asserted against the Company arising from services provided to patients through June 30, 2014 The Company has accrued for estimated malpractice costs as well as an estimate of incurred but not reported claims not covered by its claims-made policy at June 30, 2014 The reserves for unpaid losses and loss expenses are estimated using individual case-basis valuations and actuarial analysis Those estimates are subject to the effects of trends in loss severity and frequency The estimates are continually reviewed, and adjustments are recorded as experience develops or new information becomes known The changes to the estimated ultimate loss amounts are included in current operating results

The Company's malpractice insurance coverage is based on a claims-made policy with a $25,000 per claim deductible and $28,000,000 aggregate coverage with a Reciprocal Risk Retention Group (RRRG) Reserves for malpractice insurance risks were $9,519,000 and $11,272,000 as of June 30, 2014 and 2013, respectively The reserves have been discounted at 1 5% and 3 0% as of June 30, 2014 and 2013, respectively Amounts receivable under the excess contracts were $5,775,000 and $7,535,000 as of June 30, 2014 and 2013, respectively The current and long-term portions of the reserves and receivables are disclosed in the consolidated balance sheets Expenses associated with malpractice insurance risks were $2,559,000 and $2,992,000 for the years ended June 30, 2014 and 2013, respectively, and are classified in supplies, services and other in the Company's consolidated statements of operations and changes in net assets

Workers' Compensation Coverage

The Company has a self-funded program to provide workers' compensation coverage for its employees To meet the state of New Mexico's insurance reserve requirements, the Hospital obtained a surety bond in the amount of $1,875,000

12. Commitments and Contingencies (continued)

Operating Leases

Future minimum rental payments required for the next five years for all operating leases that have initial or remaining noncancelable lease terms in excess of one year at June 30, 2014, are as follows

	Minimum Lease Payments
2015	$ 1,320,494
2016	1,199,002
2017	1,124,213
2018	1,013,018
2019	540,504
Thereafter	61,312
	$ 5,258,543

Physician Income Guarantees

For physician income guarantees, the Company records an asset and liability for the estimated value of the physician income guarantees The assets are amortized using the straight-line amortization method for the guarantee and service period The unamortized portion of these physician guarantees, included in other receivables, was $699,500 and $866,000 at June 30, 2014 and 2013, respectively The maximum amount of unpaid physician income guarantees was approximately $319,000 at June 30, 2014

Medical Coverage Income Guarantees

The Company has entered into a multiple-year service agreement for specialty medical coverage To recognize the medical coverage income guarantees included in the agreement, the Company recorded an asset and liability for the estimated value of the guarantees for the contracted period The assets are amortized using the straight-line amortization method for the guarantee and service period The current unamortized portion of these guarantees, included in prepaid

12. Commitments and Contingencies (continued)

expenses and other, was $1,348,000 and $1,326,000 at June 30, 2014 and 2013, respectively, the noncurrent portion of the unamortized guarantee, included in notes receivable, joint ventures and other, was $2,055,000 and $3,403,000 at June 30, 2014 and 2013, respectively The current portion of the unpaid guarantee, included in accrued expenses, was $754,000 and $969,000 at June 30, 2014 and 2013, respectively, the noncurrent portion of the unpaid guarantee, included in other long-term liabilities, was $2,055,000 and $3,403,000 at June 30, 2014 and 2013, respectively The maximum amount of unpaid medical coverage income guarantees was approximately $2,809,000 and $4,371,000 at June 30, 2014 and 2013, respectively

Health Care Regulatory Environment

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 limited to, matters such as licensure, accreditation, government health care program participation reimbursement, requirements for patient services, and Medicare and Medicaid fraud and abuse Violations of these laws and regulations could result in exclusion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed and paid Management believes that it has established adequate reserves to investigate, defend, and ultimately resolve any alleged instances of noncompliance Compliance with such laws and regulations can be subject to future government review as well as to regulatory actions unknown or unasserted at this time

13. Employee Health Insurance Plan

The Company is self-insured for employee medical coverage However, the Company purchased insurance that will pay medical expenses that exceed $300,000 per individual per plan year Expenses related to self-insured employee medical claims totaled approximately $18,915,000 and $19,171,000 in 2014 and 2013, respectively, and are classified in employee benefits in the Company's consolidated statements of operations and changes in net assets

14. Employee Benefit Plans

The Company operates and supports a tax-sheltered annuity program All individuals employed full-time or part-time for one year are eligible to participate, and participants are eligible for full vesting of all Company contributions after five years of employment Contributions charged to operations approximated $2,193,000 and $2,185,000 in 2014 and 2013, respectively The Company's policy is to fund these costs as incurred

The Company sponsors a Money Purchase Pension Trust Plan (the Plan), which requires the Company to contribute 3% of each participant's annual compensation All Company employees hired prior to July 1, 2012, are eligible to participate in the Plan, regardless of length of service Contributions to the Plan charged to operations approximated $2,983,000 and $2,874,000 in 2014 and 2013, respectively

The Company sponsors a 457(f) Deferred Compensation Program to attract and retain a select group of management or highly compensated employees The funds are available to the Company until vesting has occurred, at which time they accrue to the benefit of the employee Full vesting occurs after five years of employment or upon reaching the age of 62 The assets and liabilities for this program approximated $873,000 and $633,000 at June 30, 2014 and 2013, respectively

15. Functional Expenses

The Company provides general health care services to residents within its geographic region Expenses related to providing these services are as follows

	2014	2013
Health care services	**$232,987,139**	$228,453,264
General and administrative	**17,401,828**	19,676,493
	$250,388,967	$248,129,757

Supplementary Information

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Independent Auditors' Report on Supplementary Information

The Board of Directors
San Juan Regional Medical Center, Inc

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating balance sheet as of June 30, 2014, and the consolidating statement of operations and changes in net assets for the year then ended 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

September 29, 2014

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San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2014

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 26,462,077	$ 3,296,408	$ 41,934	$ –	$ 29,800,419
Short-term investments	6,705,416	452,047	–	–	7,157,463
Current portion of assets whose use is limited	269,010	–	–	–	269,010
Patient accounts receivable, net	36,110,445	1,108,521	–	(3,329)	37,215,637
Other receivables	1,536,185	–	–	(139,665)	1,396,520
Current portion of insurance receivable	1,733,000	–	–	–	1,733,000
Inventories	3,757,446	–	–	–	3,757,446
Prepaid expenses and other	4,593,401	23,667	–	–	4,617,068
Total current assets	81,166,980	4,880,643	41,934	(142,994)	85,946,563
Long-term investments	33,954,618	1,511,121	–	–	35,465,739
Assets whose use is limited, less current portion	83,777,283	–	–	–	83,777,283
Insurance receivable, less current portion	4,042,000	–	–	–	4,042,000
Property and equipment, net	142,431,776	1,913,718	–	–	144,345,494
Notes receivable, joint ventures and other	12,840,863	–	1,433,127	(8,714,457)	5,559,533
Total assets	$ 358,213,520	$ 8,305,482	$ 1,475,061	$ (8,857,451)	$ 359,136,612
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 4,829,516	$ 90,643	$ 91,798	$ –	$ 5,011,957
Accrued expenses	21,138,557	589,748	–	(142,994)	21,585,311
Current portion of long-term debt	3,759,444	–	–	–	3,759,444
Current portion of professional and general insurance liability	1,847,000	–	–	–	1,847,000
Estimated third-party payor settlements, net	8,465,105	293,897	–	–	8,759,002
Total current liabilities	40,039,622	974,288	91,798	(142,994)	40,962,714
Long-term debt, less current portion	58,217,789	–	–	–	58,217,789
Professional and general insurance liability, less current portion	7,672,000	–	–	–	7,672,000
Other long-term liabilities	2,928,502	–	–	–	2,928,502
Total liabilities	108,857,913	974,288	91,798	(142,994)	109,781,005
Net assets	249,355,607	7,331,194	1,383,263	(8,714,457)	249,355,607
Total liabilities and net assets	$ 358,213,520	$ 8,305,482	$ 1,475,061	$ (8,857,451)	$ 359,136,612

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2014

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Revenue					
Patient service	$ 269,459,781	$ 4,529,475	$ –	$ (43,600)	$ 273,945,656
Provision for doubtful accounts	(32,843,350)	(169,506)	–	–	(33,012,856)
Net patient service revenue	236,616,431	4,359,969	–	(43,600)	240,932,800
Investment income, gains and losses	9,235,774	47,007	310,010	(713,171)	8,879,620
Other	10,373,699	83,398	–	(221,133)	10,235,964
Total revenue	256,225,904	4,490,374	310,010	(977,904)	260,048,384
Expenses					
Salaries and wages	114,393,806	2,297,448	–	4,800	116,696,054
Employee benefits	34,081,410	551,904	–	–	34,633,314
Supplies, services and other	50,850,378	351,615	329,419	(77,133)	51,454,279
Purchased services	28,543,683	416,977	–	(192,400)	28,768,260
Depreciation and amortization	13,758,591	107,616	–	–	13,866,207
Rent and leases	2,576,980	32,234	–	–	2,609,214
Interest	2,361,639	–	–	–	2,361,639
Total expenses	246,566,487	3,757,794	329,419	(264,733)	250,388,967
Excess (deficit) of revenue over expenses	9,659,417	732,580	(19,409)	(713,171)	9,659,417
Contributions designated for fixed assets	128,282	–	–	–	128,282
Dividends	–	–	(183,117)	183,117	–
Increase (decrease) in net assets	9,787,699	732,580	(202,526)	(530,054)	9,787,699
Net assets, beginning of year	239,567,908	6,598,614	1,585,789	(8,184,403)	239,567,908
Net assets, end of year	$ 249,355,607	$ 7,331,194	$ 1,383,263	$ (8,714,457)	$ 249,355,607

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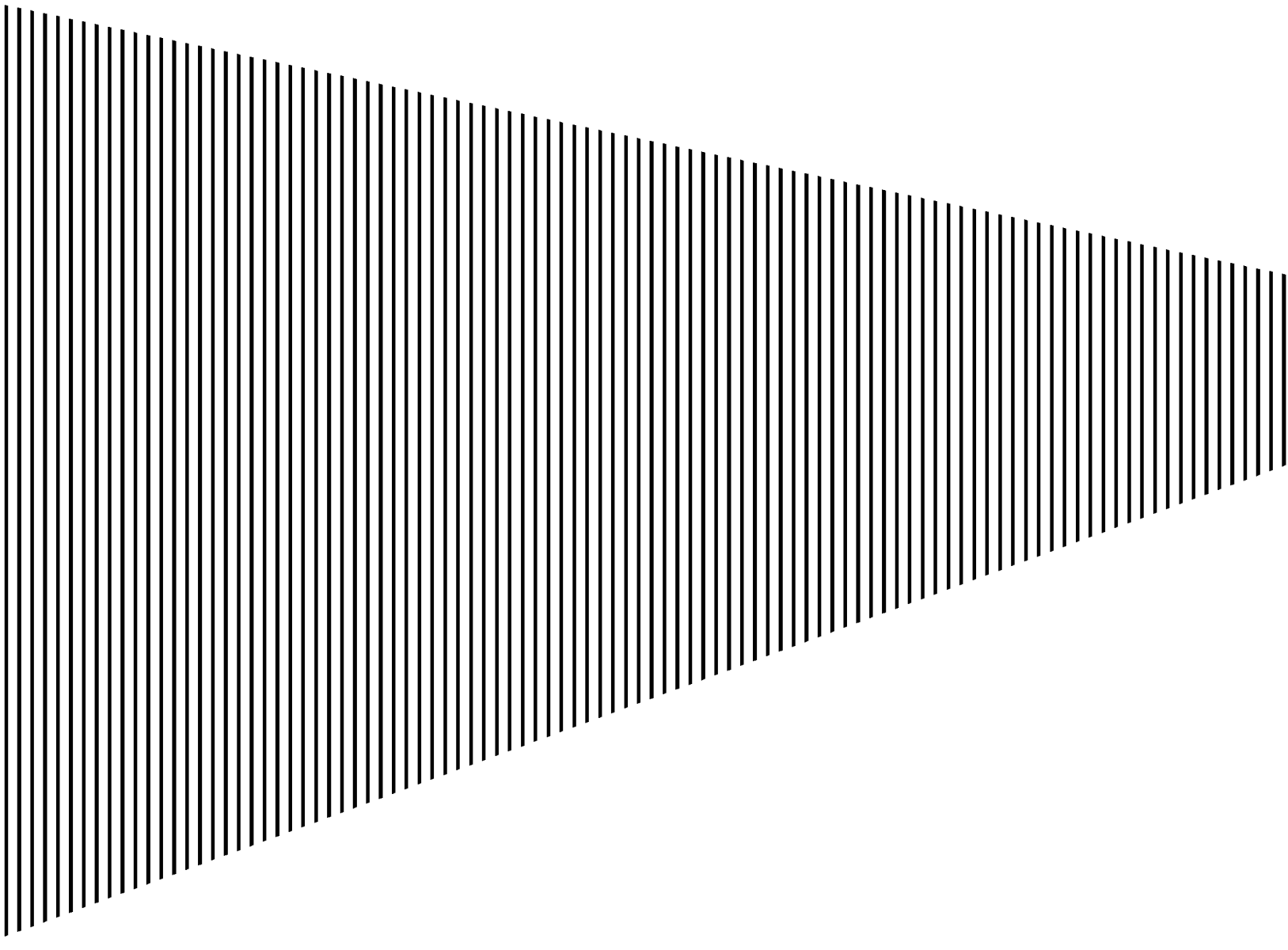
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