

Major Equipment:

| Description | Prior Years Costs | Current Year Cost | R=Replace N=New | Expansion |
|--|-------------------|-------------------|--------------------|-----------|
| Stealth Station S7 Navigation System | \$ | \$359,090 | | |
| WASP Microbiology Equipment | \$ | \$1,853,375 | | |
| Da Vinci XI System | \$ | \$1,787,650 | | |
| Telemetry Monitor System | \$ | \$1,918,681 | | |
| Aquilion Prime Fast CT Scanner | \$ | \$549,924 | | |
| Nurse Call ED Equipment | \$ | \$257,122 | | |
| Other Major Moveable Equipment >\$250k | \$ | \$259,393 | | |
| | \$ | \$ | | |
| | \$ | \$ | | |
| | \$ | \$ | | |

Other Additions and Total Additions for the Period:

| | |
|---|---------------------|
| Other capital additions for the period not included above | \$213,992 |
| Total Additions for the Period (Sum of Expansion, Equipment & Other Additions) | \$12,913,771 |

Home Office Allocation

| |
|---|
| Describe the methodology used to allocate home office costs to the hospital |
| The Corporate overhead expenses are allocated on a monthly basis to each of the Company's facilities based upon each facility's monthly operating costs as a percentage of total monthly operating costs. |

Community Benefits Structure

| | |
|--|--|
| Hospital Mission Statement | To provide excellence in patient-centered care to our community. |
| Hospital Vision | It is the Vision of Valley Hospital Medical Center to be the healthcare provider and employer of choice in our community |
| Hospital Values | |
| Hospital Community Benefit Plan (groups to target, decision makers, goals) | |

Mission Mapping (these are not required fields)

| | Yes | No |
|---|-----------------|----|
| Does your mission map to your strategic planning process? | X | |
| Do you have a dedicated community benefits coordinator? | | X |
| Do you have a charitable foundation? | | X |
| Do you conduct teaching and research? | X (GME program) | |
| Do you operate a Level I or Level II trauma center? | | X |
| Are you the sole provider in your geographic area of any specific clinical services? (If Yes, list services.) | | X |

Community Health Improvements Services

| | |
|---|-------------------|
| | Benefit \$704,348 |
| Community Health Education | \$ 11,840 |
| Community-Based Clinical Services | \$ 936 |
| Health Care Support Services Cab Vouchers/Transportation | \$ 27,888 |
| Interpreter Services | \$ 85,431 |
| Eligibility Fess (NCO/IHMS/Adriema) | \$ 578,253 |

Health Professions Education

| | |
|---|---------------------|
| | Benefit \$6,353,788 |
| Physicians/Medical Students (net of Direct GME payments) | \$6,169,132 |
| | |
| Nurses/Nursing Students | \$136,592 |
| Other Health Professional Education | \$48,064 |
| Scholarships/Funding for Professional Education | \$ |

Subsidized Health Services

| | |
|--|----------------------|
| | Benefit \$28,072,846 |
| Total Uncompensated Cost from Uncompensated Cost Report filed with DHCFP | \$38,540,217 |
| Less: Medicaid Disproportionate Share Payments received for the Period | \$(134,978) |
| Less: Other Payments Received for these Accounts (County Supplemental Funds, etc.) | \$(3,284,986) |
| Net Uncompensated Care | \$35,120,253 |
| Uncompensated SCHIP (Nevada Checkup) Cost | |
| Uncompensated Medicare Cost (see instructions) | |
| Uncompensated Clinic or Other Cost | |
| Other Subsidized Health Services | |
| Less: Cost Reported in Another Category | \$(7,047,407) |
| Total Subsidized Health Services | \$28,072,846 |

Research

| | |
|---------------------------|------------|
| | Benefit \$ |
| Clinical Research | \$ |
| Community Health Research | \$ |
| Other | \$ |

Financial Contributions

| | |
|--|------------------|
| | Benefit \$77,758 |
| Cash Donations (Westcare) | \$77,758 |
| Grants | \$ |
| In-Kind Donations | \$ |
| Cost of Fund Raising for Community Programs | \$ |

Community Building Activities

| | Benefit \$ |
|--|------------|
| Physical Improvements and Housing | \$ |
| Economic Development | \$ |
| Community Support | \$ |
| Environmental Improvements | \$ |
| Leadership Development and Leadership Training for Community Members | \$ |
| Coalition Building | \$ |
| Community Health Improvement Advocacy | \$ |
| Workforce Development | \$ |

Community Benefit Operations

| | Benefit \$ |
|---|------------|
| Dedicated Staff | \$ |
| Community Health Needs/Health Assets Assessment | \$ |
| Other Resources | \$ |

Other Community Benefits

| (Briefly explain other community Benefits provided but not captured in sections above) | Benefit \$ |
|---|-------------|
| Unmet Free Care Obligation (Assessment for not meeting minimum care obligation of NRS 439B.340) | \$1,466,384 |
| Other Community Benefits Subtotal | \$1,466,384 |

Total Community Benefit

| | |
|--|----------------------|
| | Benefit \$36,675,124 |
|--|----------------------|

Other Community Support

| | Benefit \$4,873,604 |
|-------------------------------|---------------------|
| Property Tax | \$825,849 |
| Sales and Use Tax | \$2,074,463 |
| Modified Business Tax | \$1,072,430 |
| Commerce Tax | \$182,661 |
| Other Tax (describe) | |
| NV Bond/SUI | \$718,201 |
| Total Other Community Support | \$4,873,604 |

Total Community Benefits & Other Community Support

| | |
|--|--------------|
| | \$41,548,728 |
|--|--------------|

| |
|--|
| List and briefly explain educational classes offered |
| Throughout the year, Valley Hospital offers hospital-based educational seminars through our senior advantage program on a variety of health topics – cardiology, stroke/neuro, internal health, etc. The classes are free to the community |

| |
|--|
| List and briefly describe other community benefits provided to the community for which the costs cannot be captured |
| Valley Health System community relations coordinators work with area businesses, agencies and non-profit organizations to participate in health fairs and offer free guest speakers at workplaces. |

Discounted Services & Reduced Charges Policy & Procedures

| | |
|--|-------------------------------------|
| Charity Care Policy: (attach copies of actual policies if first filing or policy changed) | Policy Effective Date: |
| Does the hospital have a policy? (Yes or No) | Yes |
| Policy covers up to what % of Federal Poverty Level? | 400% |
| Discounts given up to what %? | 100% |
| Amount of time to make arrangements (in days or months) | w/in 21 days of application receipt |
| Other comments | |
| Prompt Pay or Other Discounts: (attach copies of actual policies if first filing or policy changed) | Policy Effective Date: |
| Does the hospital have a policy? (Yes or No) | Yes |
| Discounts given up to what %? | 60%- |
| Amount of time to make arrangements? (in days or months) | No set limit |
| Other comments | |

Collection of Accounts Receivable Policies & Procedures

| | |
|--|--------------|
| Effective Date of Policy | |
| Does hospital have established policy? | Yes |
| Does hospital make every reasonable effort to help patient to obtain coverage? (Yes or No) | Yes |
| Number of patient contacts before referral to collection agency | 3 minimum |
| Is collection policy consistent with the Fair Debt Collection Practices Act? (Yes or No) | |
| Methods of communication with patient (e.g. phone, letter, etc.) | Phone/letter |
| Number of days prior to referral to collection agency | 120 days |
| Is the patient notified in writing of referral to collection agency? | Yes |
| Is the patient notified in writing prior to a lawsuit being begun? | Yes |
| Other comments | |

Chargemaster

| | |
|---|------------------------------|
| Is hospital chargemaster available in accordance with NRS 449.490 (4) requirements? (Yes or No) | Yes |
| Is the chargemaster updated at least monthly? (Yes or No) | Yes |
| How is the chargemaster made available? (E.g. format, location, etc.) | PC in Central Billing Office |

Addendum to Nevada Hospital Report:

(Complete all shaded areas.)

Hospital: VALLEY**FYE: 12/31/2015**

| Line # | | | |
|--------|---|------------------|------------------------------|
| 1 | Net Income (from NHQR for FYE, Tab A01, last column-including non-operating gain/loss) | | <u><u>- \$13,061,612</u></u> |
| | Operating Margin: | | |
| 2 | Net Operating Income (from NHQR tab A01, column Q) | | <u><u>- \$5,218,529</u></u> |
| 3 | Total Operating Revenue (from NHQR, Tab A01, column M) | | <u><u>236,397,157</u></u> |
| 4 | Operating Margin (Line 2 divided by Line 3) | | <u><u>-2.21%</u></u> |
| | Calculation of Total Ratio of Cost to Charges: | | |
| 5 | Total Operating Cost (from NHQR, Tab A01, column O) | | <u><u>\$241,615,686</u></u> |
| 6 | Inpatient Billed Charges (from NHQR, Tab A02, column I) | \$ 1,407,303,306 | |
| 7 | Outpatient (from NHQR, Tab A03, column I) | 481,790,079 | |
| 8 | Long Term Care (from NHQR, Tab A04, column I) | | |
| 9 | Clinic (from NHQR, Tab A05, column I) | | |
| 10 | Sub Acute (from NHQR, Tab A06, column I) | | |
| 11 | Total Billed Charges (Sum of lines 6 through 10) | | <u><u>1,889,093,385</u></u> |
| 12 | Total Ratio of Cost to Charges (Line 5 divided by Line 11) | | <u><u>0.1279</u></u> |
| | Average Daily Occupancy: | | |
| 13 | Patient Days (from NHQR Utilization Report, Tab A02, column I) | | <u><u>79,435</u></u> |
| 14 | Observation hours | 287,138 | |
| 15 | Hours in the day | 24 | |
| 16 | Equivalent observation patient days (Line 14 divided by Line 15) | | <u><u>11,964</u></u> |
| 17 | Total Patient Days (Line 13 + Line 16) | | <u><u>91,399</u></u> |
| 18 | Days in the Reporting Period | | <u><u>365</u></u> |
| 19 | Average Daily Occupancy (Line 17 divided by Line 18) | | <u><u>250</u></u> |
| 20 | Total Community Benefits (from Nevada Hospital Report Total Community Benefit Line) | | <u><u>\$36,675,124</u></u> |
| 21 | Community Benefits as a % of Net Operating Revenue (Line 18 divided by Line 3) | | <u><u>0.155141984</u></u> |
| 22 | Is the hospital owned by a consolidated corporation? Yes or No | | <u><u>YES</u></u> |
| 23 | Is the net income of the consolidated corporation publicly available? Yes or No | | <u><u>YES</u></u> |
| 24 | If you answered "Yes" to both of the questions on lines 20 and 21, report the net income of the consolidated corporation on this line and attach the annual report. | | <u><u>\$692,047,000</u></u> |
| 25 | Medicare Ratio of Cost to Charges | | <u><u>10.75%</u></u> |

Home Office Services

If you are provided services from the home office, please mark the type of services provided below:

| | "X" those which apply |
|--|----------------------------------|
| Information Technology | X |
| Hospital Management | X |
| Cash Management | X |
| Insurance Administration (including professional & general liability, workers comp & property) | X |
| Risk management | X |
| Risk management | X |
| Human Resources | X |
| Medicare & Medicaid Reimbursement Services | X |
| Accounting & management reporting, accounts payable | X |
| Decision support | X |
| Taxation | X |
| Internal Audit | X |
| Finance | X |
| Patient Billing & Collection-Centralized business office | X |
| Design & Construction | X |
| Equipment/Supplies Purchasing | X |
| Marketing & Public Relations | X |
| Physician Recruitment | X |
| Issuance of equity or long-term debt, shareholder relations | X |
| Payroll & related taxes | X |
| Employee benefits & pensions | X |
| Property/Facilities Management | X |
| Continuing Education | |
| Other (Specify) | |