

PUBLIC DISCLOSURE COPY

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No. 1545-0047

2017**Open to Public Inspection**

A For the 2017 calendar year, or tax year beginning <u>10/01</u> , 2017, and ending <u>09/30</u> , 20 <u>18</u>	
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <u>MARTIN MEMORIAL MEDICAL CENTER, INC.</u> Doing business as <u>MARTIN MEDICAL CENTER</u> Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>PO BOX 9010</u> City or town, state or province, country, and ZIP or foreign postal code <u>STUART, FL 34995-9033</u>
	D Employer identification number <u>59-0637874</u>
	E Telephone number <u>(772) 287-5200</u>
	G Gross receipts \$ <u>572,113,204</u>
	F Name and address of principal officer: <u>ROBERT LORD</u> <u>200 HOSPITAL AVENUE, STUART, FL 34994</u>
H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
J Website: ▶ <u>WWW.MARTINHEALTH.ORG</u>	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
L Year of formation: <u>1939</u> M State of legal domicile: <u>FL</u>	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>THE PRIMARY MISSION IS TO PROVIDE QUALITY HEALTH CARE SERVICES TO THE CITIZENS OF MARTIN AND SOUTHERN ST. LUCIE COUNTIES THROUGH ITS ACUTE AND AMBULATORY CARE FACILITIES.</u>
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3 Number of voting members of the governing body (Part VI, line 1a) 3 <u>20</u>
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 <u>14</u>
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a) 5 <u>5,318</u>
	6 Total number of volunteers (estimate if necessary) 6 <u>1,319</u>
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a <u>35,813</u>
b Net unrelated business taxable income from Form 990-T, line 34 7b <u>0</u>	
Revenue	8 Contributions and grants (Part VIII, line 1h) <u>4,169,081</u> Prior Year <u>4,584,274</u> Current Year
	9 Program service revenue (Part VIII, line 2g) <u>500,391,525</u> <u>516,640,022</u>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) <u>5,119,813</u> <u>11,383,665</u>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <u>5,884,515</u> <u>5,613,225</u>
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <u>515,564,934</u> <u>538,221,186</u>
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) <u>464,518</u> <u>333,954</u>
	14 Benefits paid to or for members (Part IX, column (A), line 4)
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) <u>250,624,193</u> <u>255,082,147</u>
	16a Professional fundraising fees (Part IX, column (A), line 11e) <u>0</u> <u>0</u>
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>0</u>
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) <u>249,061,347</u> <u>262,213,251</u>
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) <u>500,150,058</u> <u>517,629,352</u>
19 Revenue less expenses. Subtract line 18 from line 12 <u>15,414,876</u> <u>20,591,834</u>	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) <u>687,193,516</u> Beginning of Current Year <u>699,419,017</u> End of Year
	21 Total liabilities (Part X, line 26) <u>424,964,011</u> <u>421,540,886</u>
	22 Net assets or fund balances. Subtract line 21 from line 20 <u>262,229,505</u> <u>277,878,131</u>

Part II Signature Block

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

Sign Here	Signature of officer	Date			
	Type or print name and title <u>MICHAEL MOEHRING, CFO</u>				
Paid Preparer Use Only	Print/Type preparer's name <u>BRITTNEY KOCAJ</u>	Preparer's signature <u>Brittney Kocaj</u>	Date <u>8/15/2019</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01320603</u>
	Firm's name ▶ <u>CROWE LLP</u>	Firm's EIN ▶ <u>35-0921680</u>			
	Firm's address ▶ <u>401 EAST LAS OLAS BLVD, SUITE 1100, FORT LAUDERDALE, FL 33301-4230</u>	Phone no. <u>(954) 202-8600</u>			

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2017)

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number, see instructions
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. MARTIN MEMORIAL MEDICAL CENTER, INC.	Employer identification number (EIN) or 59-0637874
	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 9010	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. STUART, FL 34995-9033	

Enter the Return Code for the return that this application is for (file a separate application for each return) **0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ► [CHARLES CLEAVER](#)

Telephone No. ► [\(772\) 287-5200](#) Fax No. ► _____

• If the organization does not have an office or place of business in the United States, check this box ► ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until 08/15, 20 19, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year 20 ____ or

► ☒ tax year beginning 10/01, 20 17, and ending 09/30, 20 18.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 27916D

Form **8868** (Rev. 1-2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐

- 1** Briefly describe the organization's mission:
TO PROVIDE EXCEPTIONAL HEALTH CARE, HOPE AND COMPASSION TO EVERY PERSON, EVERY TIME.
-
- 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 \$ 471,150,283 including grants of \$ 333,954) (Revenue \$ 520,180,687)
MARTIN MEMORIAL MEDICAL CENTER PROVIDED 117,877 PATIENT DAYS OF SERVICE AT ITS THREE HOSPITALS. THE MEDICAL CENTER ALSO PROVIDED CARE TO 119,079 PATIENTS THROUGH ITS FOUR EMERGENCY DEPARTMENTS DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2018. MARTIN MEMORIAL MEDICAL CENTER'S PHYSICIAN REFERRAL SERVICES PROVIDE AN UNBIASED SERVICE TO RESIDENTS WHO ARE NEW TO THE COMMUNITY OR FIND IT NECESSARY TO CHANGE PHYSICIANS DUE TO CHANGES IN HEALTHCARE INSURANCE. THE MEDICAL CENTER PROVIDES A NUMBER OF COMMUNITY HEALTH CARE EDUCATION OPPORTUNITIES AND HEALTH SCREENING THROUGHOUT THE YEAR.

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 **▶** 471,150,283

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 ✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 ✓	
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	✓
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 ✓	
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	✓
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	✓
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	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
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	✓
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 ✓	
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 ✓	
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	✓
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	✓
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 ✓	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e ✓	
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 ✓	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	✓
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 ✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
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	✓
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	✓
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	✓
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	✓
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	✓
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	✓

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input checked="" type="checkbox"/>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<input checked="" type="checkbox"/>	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<input checked="" type="checkbox"/>	
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? <i>If "Yes," complete Schedule J</i>	<input checked="" type="checkbox"/>	
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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	<input checked="" type="checkbox"/>	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		<input checked="" type="checkbox"/>
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<input checked="" type="checkbox"/>
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule L, Part II</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule L, Part III</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule L, Part IV</i>		<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	<input checked="" type="checkbox"/>	
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? <i>If "Yes," complete Schedule L, Part IV</i>		<input checked="" type="checkbox"/>
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<input checked="" type="checkbox"/>
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<input checked="" type="checkbox"/>
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule R, Part I</i>		<input checked="" type="checkbox"/>
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	<input checked="" type="checkbox"/>	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<input checked="" type="checkbox"/>	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<input checked="" type="checkbox"/>	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule R, Part VI</i>		<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck 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 249		
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	✓	
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 5,318		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	✓	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓	
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		✓
b If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓
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		✓
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		✓
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		✓
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		✓
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		✓
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state?	13a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		✓
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

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

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 20 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 14		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4		<input checked="" type="checkbox"/>
5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5		<input checked="" type="checkbox"/>
6 Did the organization have members or stockholders? 6	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body? 8a	<input checked="" type="checkbox"/>	
b Each committee with authority to act on behalf of the governing body? 8b	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>

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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12b	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
13 Did the organization have a written whistleblower policy? 13	<input checked="" type="checkbox"/>	
14 Did the organization have a written document retention and destruction policy? 14	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
b Other officers or key employees of the organization 15b	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ►
MICHAEL MOEHRING, 200 HOSPITAL AVE, STUART, FL 34994, (772) 287-5200

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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) ROBERT LORD PRESIDENT/CEO	50.0 4.0	✓		✓				789,007	0	259,966
(2) JOHN LOEWENBERG CHAIRMAN	5.0 2.0	✓		✓				0	0	0
(3) FREDERIC SALERNO VICE CHAIRMAN	5.0 1.0	✓		✓				0	0	0
(4) H. WILLIAM LICHTENBERGER SECRETARY	5.0 1.0	✓		✓				0	0	0
(5) THEORA WEBB TREASURER	5.0 2.0	✓		✓				0	0	0
(6) EVAN COLLINS, MD DIRECTOR	5.0 0.0	✓						0	0	0
(7) PETER DAYTON, MD DIRECTOR	5.0 0.0	✓						53,438	0	0
(8) LYNN FRANK DIRECTOR	5.0 0.0	✓						0	0	0
(9) ELMIRA GAINEY DIRECTOR	5.0 0.0	✓						0	0	0
(10) MARY-JO HORTON DIRECTOR	5.0 0.0	✓						0	0	0
(11) PAMELA HOUGHTEN DIRECTOR	5.0 0.0	✓						0	0	0
(12) GEORGE RITTERSBACH, MD DIRECTOR	50.0 0.0	✓						369,810	0	53,480
(13) JOHN DOODY DIRECTOR	5.0 1.0	✓						0	0	0
(14) PATRICIA NOONAN DIRECTOR	5.0 1.0	✓						0	0	0

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

(A) Name and title	(B) Average hours per week (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			
(15) TIFFANY WEAKLEY, MD DIRECTOR	5.0 1.0	✓						35,250	0	0
(16) JEFFREY GLICKMAN, MD DIRECTOR	50.0 0.0	✓						344,822	0	29,609
(17) HOWARD ROBBINS, MD DIRECTOR	5.0 0.0	✓						0	0	0
(18) NANCYANN TAYLOR DIRECTOR	5.0 51.0	✓						0	0	0
(19) WYNNE LEE NUNEZ, MD DIRECTOR	5.0 0.0	✓						0	0	0
(20) GEORGE MCLAIN, MD DIRECTOR	5.0 0.0	✓						0	0	0
(21) CHARLES CLEAVER CFO	50.0 3.0			✓				718,153	0	139,881
(22) MARIAN WOSSUM CLO	50.0 2.0			✓				314,573	0	63,896
(23) EDMUND COLLINS CIO	50.0 1.0			✓				373,392	0	69,402
(24) MIGUEL COTY CMCO	50.0 1.0			✓				278,501	0	79,185
(25) (SEE STATEMENT)										
1b Sub-total								3,276,946	0	695,419
c Total from continuation sheets to Part VII, Section A								7,999,709	233,250	1,082,201
d Total (add lines 1b and 1c)								11,276,655	233,250	1,777,620

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 **▶** 154

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** ✓

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** ✓

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** ✓

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
ROBINS & MORTON GROUP, 400 SHADES CREEK PKWY, BIRMINGHAM, AL 35209	CONSTRUCTION	12,191,766
SEARCY, DENNEY, SCAROLA, BARNHART & SHIPLEY, PA, 2139 PALM BEACH LAKES BLVD, PALM BEACH, FL 33409	ATTORNEY	4,730,000
DIAGNOSTIC IMAGING SERVICES, INC., PO BOX 4, STUART, FL 34995	RADIOLOGY PROFESSIONAL READS	2,716,836
MICHAUD, MITTELMARK, MARKOWITZ, 621 NW 53RD ST, #260, BOCA RATON, FL 33487	ATTORNEY	1,854,705
GRESHAM SMITH, PO BOX 440029, NASHVILLE, TN 37244-0029	ARCHITECTS/ENGINEERS	1,148,825

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 **▶** 33

Part VIII Statement of RevenueCheck 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	4,521,113			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	63,161			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶			4,584,274		
Program Service Revenue	Business Code						
	2a	PATIENT SERVICES	622110	516,588,686	516,588,686		
	b	RENTAL TO AFFILIATES	531120	51,336	51,336		
	c						
	d						
	e						
	f	All other program service revenue			0	0	0
	g	Total. Add lines 2a-2f ▶			516,640,022		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			3,479,000		3,479,000
	4	Income from investment of tax-exempt bond proceeds ▶					
	5	Royalties ▶					
	6a	(i) Real	(ii) Personal				
		Gross rents	752,378				
		Less: rental expenses	891,192				
		Rental income or (loss)	(138,814)	0			
	d	Net rental income or (loss) ▶			(138,814)		(138,814)
	7a	(i) Securities	(ii) Other				
		Gross amount from sales of assets other than inventory	40,548,052	357,440			
		Less: cost or other basis and sales expenses	32,957,224	43,602			
		Gain or (loss)	7,590,828	313,838			
	d	Net gain or (loss) ▶			7,904,665		7,904,665
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances a					
b	Less: cost of goods sold b						
c	Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue							
11a	Business Code						
	CAFETERIA	624210	2,175,561			2,175,561	
	LABORATORY SERVICES	621511	35,813		35,813		
	SUPPORT SERVICES TO AFFILIATES	561000	3,540,665	3,540,665			
d	All other revenue			0	0	0	
e	Total. Add lines 11a-11d ▶			5,752,039			
12	Total revenue. See instructions. ▶			538,221,186	520,180,687	35,813	13,420,412

Part IX Statement of Functional Expenses

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

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	98,799	98,799		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	235,155	235,155		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,205,922		6,205,922	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	138,560	138,560		
7 Other salaries and wages	196,255,166	180,287,164	15,968,002	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,673,749	11,242,746	431,003	
9 Other employee benefits	27,022,114	24,855,653	2,166,461	
10 Payroll taxes	13,786,636	13,061,010	725,626	
11 Fees for services (non-employees):				
a Management				
b Legal	832,572	18,906	813,666	
c Accounting	189,520		189,520	
d Lobbying	68,176	68,176		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	525,657		525,657	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	22,973,188	20,450,841	2,522,347	0
12 Advertising and promotion	2,280,571	1,982,048	298,523	
13 Office expenses	9,800,188	6,468,292	3,331,896	
14 Information technology	7,329,978	2,809,916	4,520,062	
15 Royalties				
16 Occupancy	36,295,058	31,255,366	5,039,692	
17 Travel	357,098	275,049	82,049	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	256,801	212,471	44,330	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	38,584,148	35,359,012	3,225,136	
23 Insurance	10,617,861	10,617,861		
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 <u>BAD DEBT</u>	29,081,311	29,081,311		
b <u>INDIGENT TAX</u>	5,494,188	5,494,188		
c <u>PATIENT TRANSPORT</u>	1,895,511	1,895,511		
d <u>MEDICAL SUPPLIES</u>	93,000,909	92,952,961	47,948	
e All other expenses	2,630,516	2,289,287	341,229	0
25 Total functional expenses. Add lines 1 through 24e	517,629,352	471,150,283	46,479,069	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck 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	7,189,012	1	21,064,000
	2 Savings and temporary cash investments	53,312,226	2	14,176,766
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	52,952,797	4	54,045,905
	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		6	0
	7 Notes and loans receivable, net	19,026	7	0
	8 Inventories for sale or use	8,920,181	8	10,474,731
	9 Prepaid expenses and deferred charges	5,153,773	9	6,136,616
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 792,712,562		
	b Less: accumulated depreciation	10b 422,807,970	359,152,328	10c 369,904,592
	11 Investments—publicly traded securities	162,424,703	11	180,173,000
	12 Investments—other securities. See Part IV, line 11	0	12	0
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	38,069,470	15	43,443,407
16 Total assets. Add lines 1 through 15 (must equal line 34)	687,193,516	16	699,419,017	
Liabilities	17 Accounts payable and accrued expenses	69,799,637	17	65,760,074
	18 Grants payable		18	
	19 Deferred revenue	6,223	19	6,223
	20 Tax-exempt bond liabilities	302,364,929	20	306,108,975
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	0
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	52,793,222	25	49,665,614
	26 Total liabilities. Add lines 17 through 25	424,964,011	26	421,540,886
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	238,207,896	27	248,874,272
	28 Temporarily restricted net assets	24,021,609	28	29,003,859
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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	262,229,505	33	277,878,131
	34 Total liabilities and net assets/fund balances	687,193,516	34	699,419,017

Form **990** (2017)

Part XI Reconciliation of Net AssetsCheck 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	538,221,186
2	Total expenses (must equal Part IX, column (A), line 25)	2	517,629,352
3	Revenue less expenses. Subtract line 2 from line 1	3	20,591,834
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	262,229,505
5	Net unrealized gains (losses) on investments	5	3,659,716
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	(8,602,924)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	277,878,131

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

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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 (Check all that apply)						(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			
(25) LIBBY FLIPPO ----- CNO	50.0 ----- 1.0			✓				330,907	0	90,127
(26) ANGIE METCALF ----- CHRO	50.0 ----- 1.0			✓				320,942	0	88,133
(27) FERNANDO PETRY, DO ----- CMO	50.0 ----- 1.0			✓				387,859	0	106,059
(28) JESSICA MCLAIN ----- CPO	1.0 ----- 51.0			✓				0	233,250	71,134
(29) LAURENCE ROTHSTEIN, MD ----- CPGO	50.0 ----- 1.0			✓				393,265	0	85,564
(30) DR. DANIEL EDELMAN ----- CPO	50.0 ----- 0.0			✓				300,830	0	39,081
(31) JOHN AFSHAR, MD ----- NEUROSURGEON	50.0 ----- 0.0					✓		1,390,292	0	158,969
(32) JOHN VIOLA, MD ----- PHYSICIAN	50.0 ----- 0.0					✓		1,099,064	0	137,969
(33) JOHN ROBINSON, MD ----- NEUROSURGEON	50.0 ----- 0.0					✓		964,189	0	158,969
(34) JORGE CASTILLO, MD ----- PHYSICIAN	50.0 ----- 0.0					✓		637,158	0	63,480
(35) DR. OSZKAR SZENTIRMAI ----- NEUROSURGEON	50.0 ----- 0.0					✓		878,823	0	62,274
(36) MARK ROBITAILLE ----- FORMER CEO	0.0 ----- 0.0						✓	1,296,380	0	20,442

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives: (1) more than 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Cat. No. 11285F

Schedule A (Form 990 or 990-EZ) 2017

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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33⅓% support test—2017. If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33⅓% support test—2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
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 <input type="checkbox"/>		

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(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) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2017. 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 <input type="checkbox"/>		
b 33 1/3% support tests—2016. 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 <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2017

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

Section D - Distributions		Current Year	
1	Amounts paid to supported organizations to accomplish exempt purposes		
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity		
3	Administrative expenses paid to accomplish exempt purposes of supported organizations		
4	Amounts paid to acquire exempt-use assets		
5	Qualified set-aside amounts (prior IRS approval required)		
6	Other distributions (describe in Part VI). See instructions.		
7	Total annual distributions. Add lines 1 through 6.		
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.		
9	Distributable amount for 2017 from Section C, line 6		
10	Line 8 amount divided by line 9 amount		

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1	Distributable amount for 2017 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2017 (reasonable cause required—explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2017			
a				
b	From 2013			
c	From 2014			
d	From 2015			
e	From 2016			
f	Total of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2017 distributable amount			
i	Carryover from 2012 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2017 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2017 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6	Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7	Excess distributions carryover to 2018. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2013			
b	Excess from 2014			
c	Excess from 2015			
d	Excess from 2016			
e	Excess from 2017			

Schedule A (Form 990 or 990-EZ) 2017

Schedule of Contributors

OMB No. 1545-0047

2017

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization MARTIN MEMORIAL MEDICAL CENTER, INC.	Employer identification number 59-0637874
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Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 4,521,113	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 23,834	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 39,327	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----
-----	----- ----- ----- -----	\$ -----	-----

Name of organization MARTIN MEMORIAL MEDICAL CENTER, INC.	Employer identification number 59-0637874
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Part III **Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----	----- ----- -----	

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

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

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

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

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

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

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

Name of organization MARTIN MEMORIAL MEDICAL CENTER, INC.	Employer identification number 59-0637874
---	---

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

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

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

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

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Cat. No. 50084S

Schedule C (Form 990 or 990-EZ) 2017

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)	0	0												
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	68,176	68,176												
c	Total lobbying expenditures (add lines 1a and 1b)	68,176	68,176												
d	Other exempt purpose expenditures	471,082,107	494,813,670												
e	Total exempt purpose expenditures (add lines 1c and 1d)	471,150,283	494,881,846												
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000	1,000,000												
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000												
h	Subtract line 1g from line 1a. If zero or less, enter -0-	0	0												
i	Subtract line 1f from line 1c. If zero or less, enter -0-	0	0												
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column (e))					6,000,000
c Total lobbying expenditures	22,029	65,557	69,960	68,176	225,722
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	0	0	0	0	0

Schedule C (Form 990 or 990-EZ) 2017

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

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

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

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

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

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

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

Part IV Supplemental Information

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

[SEE NEXT PAGE](#)

Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE C, PART II-A - DESCRIPTION OF LOBBYING	MARTIN HEALTH SYSTEM HAS RETAINED THE SERVICES OF CONSULTANTS IN TALLAHASSEE FOR THE PURPOSE OF MONITORING LEGISLATIVE AND REGULATORY HEALTHCARE-RELATED ISSUES THAT MIGHT AFFECT IT OR THE COMMUNITY IT SERVES, AND COMMUNICATING THE SYSTEM'S VIEWS ON THOSE ISSUES TO APPROPRIATE ELECTED OFFICIALS AND REGULATORS.

Name	COASTAL CARE CORPORATION
Address	PO BOX 9033, STUART, FL 34995-9033
EIN	59-2333374
Election Under Section 501(h)	NO
Expenses	18,292,784

Name	MARTIN MEMORIAL HEALTH SYSTEMS
Address	PO BOX 9033, STUART, FL 34995-9033
EIN	59-2307522
Election Under Section 501(h)	NO
Expenses	0

Name	MARTIN MEMORIAL FOUNDATION, INC.
Address	PO BOX 9033, STUART, FL 34995-9033
EIN	59-2343938
Election Under Section 501(h)	NO
Expenses	5,438,779

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements.

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

1 Purpose(s) of conservation easements held by the organization (check all that apply). <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of a historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶	
4 Number of states where property subject to conservation easement is located ▶	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶	
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.	
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ (ii) Assets included in Form 990, Part X ▶ \$	
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1 ▶ \$ b Assets included in Form 990, Part X ▶ \$	

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

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations

- d** ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ **Yes** ☐ **No**

Part IV Escrow and Custodial Arrangements.

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ **Yes** ☐ **No**

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	8,249,523	7,098,167	6,480,115	6,742,012	7,128,528
b Contributions	2,019,361	915,974	203,324	16,254	455,205
c Net investment earnings, gains, and losses	506,875	727,298	597,404	(82,356)	473,003
d Grants or scholarships	508,419	491,916	182,676	195,795	387,116
e Other expenditures for facilities and programs					927,608
f Administrative expenses				0	0
g End of year balance	10,267,340	8,249,523	7,098,167	6,480,115	6,742,012

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

- a** Board designated or quasi-endowment ▶ 19.35 %
b Permanent endowment ▶ 29.14 %
c Temporarily restricted endowment ▶ 51.51 %

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

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

- (i)** unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		✓
3a(ii)	✓	
3b	✓	

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		23,061,785		23,061,785
b Buildings		325,331,734	157,346,829	167,984,905
c Leasehold improvements				
d Equipment		420,512,036	257,048,552	163,463,484
e Other		23,807,007	8,412,589	15,394,418
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				369,904,592

Part VII Investments—Other Securities.

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

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

Part VIII Investments—Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	1,771,886
(2) INTEREST RECEIVABLE	511,513
(3) INTEREST IN MARTIN MEMORIAL FOUNDATION	28,912,636
(4) PHYSICIAN GUARANTEE	237,429
(5) BOND ISSUANCE COST	4,110,197
(6) INVESTMENT IN AFFILIATES	7,899,165
(7) OTHER ASSETS	581
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	43,443,407

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) SELF INSURANCE RESERVE	9,079,310	
(3) ALLOWANCE INSURANCE AUDIT	454,158	
(4) ASSET RETIREMENT OBLIGATION	1,708,711	
(5) DEFERRED PENSION	33,893,560	
(6) OTHER LIABILITIES	18,114	
(7) DUE TO AFFILIATES	4,511,761	
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	49,665,614	

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

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

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

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

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

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

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

Part XIII Supplemental Information.

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

[SEE STATEMENT](#)

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 - Identifier	Explanation
SCHEDULE D, PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUNDS	MARTIN MEMORIAL FOUNDATION, INC. (A RELATED ORGANIZATION) HOLDS THE ENDOWMENT FUNDS WITH THE INTENDED PURPOSE TO SUPPORT MARTIN MEMORIAL MEDICAL CENTER, INC. ("MMMC"). THE FUNDS ARE USED BY MMMC FOR A VARIETY OF PATIENT CARE ACTIVITIES AND PROGRAMS INCLUDING SUPPORT OF THE CANCER CENTER, SUPPORT OF NURSING EDUCATION, FOR THE PURCHASE OF MEDICAL EQUIPMENT, SUPPORT OF THE HEART CENTER, AND OTHER GENERAL HEALTHCARE ACTIVITIES.
SCHEDULE D, PART X, LINE 2 - FIN 48 (ASC 740) FOOTNOTE	<p>UNDER ASC SUBTOPIC 740, INCOME TAXES, THE MEDICAL CENTER MUST RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS "MORE-LIKELY-THAN-NOT" THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY THE APPLICABLE TAXING AUTHORITIES BASED ON THE TECHNICAL MERITS OF THE POSITION. THE TAX BENEFITS RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS FROM SUCH A POSITION ARE MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50 PERCENT LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT. ASC, SUBTOPIC 740-10, ALSO PROVIDES GUIDANCE OF DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES AND ACCOUNTING IN INTERIM PERIODS AND REQUIRES INCREASED DISCLOSURE.</p> <p>THERE WERE NO UNCERTAIN TAX POSITIONS AS OF SEPTEMBER 30, 2018 AND 2017. THE MEDICAL CENTER DOES NOT EXPECT THE TOTAL AMOUNT OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT TWELVE MONTHS.</p> <p>TAX RETURNS FILED BY THE MEDICAL CENTER ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE DATE THE RETURN WAS FILED. THE MEDICAL CENTER RECOGNIZES INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE. THE MEDICAL CENTER DID NOT HAVE ANY AMOUNTS ACCRUED FOR INTEREST AND PENALTIES AT SEPTEMBER 30, 2018 AND 2017. TAX RETURNS FILED BY THE MEDICAL CENTER AND ITS AFFILIATED COMPANIES ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND PRIOR.</p>

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

- **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
► **Attach to Form 990.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59 0637874

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	<input checked="" type="checkbox"/>	
1b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____%	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____%	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			16,173,812	0	16,173,812	3.31
b Medicaid (from Worksheet 3, column a)			45,445,254	22,735,872	22,709,382	4.65
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0.00
d Total Financial Assistance and Means-Tested Government Programs	0	0	61,619,066	22,735,872	38,883,194	7.96
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			521,257	0	521,257	0.11
f Health professions education (from Worksheet 5)			10,091,947	0	10,091,947	2.07
g Subsidized health services (from Worksheet 6)			0	0	0	0.00
h Research (from Worksheet 7)			0	0	0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)			297,260	0	297,260	0.06
j Total. Other Benefits	0	0	10,910,464	0	10,910,464	2.23
k Total. Add lines 7d and 7j	0	0	72,529,530	22,735,872	49,793,658	10.19

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50192T

Schedule H (Form 990) 2017

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing					0	0.00
2 Economic development					0	0.00
3 Community support	1		589	0	589	0.00
4 Environmental improvements					0	0.00
5 Leadership development and training for community members					0	0.00
6 Coalition building					0	0.00
7 Community health improvement advocacy					0	0.00
8 Workforce development	2	301	314,145	0	314,145	0.06
9 Other					0	0.00
10 Total	3	301	314,734	0	314,734	0.06

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? **1** Yes ☒ No
- 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount **2** 29,081,311
- 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** 6,107,075
- 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** 129,087,482
- 6 Enter Medicare allowable costs of care relating to payments on line 5 **6** 163,217,302
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) **7** (34,129,820)
- 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 ☒ No
- 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 ☒ No

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 (SEE STATEMENT)				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

(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 %
TREASURE COAST INTEGRATED HEALTHCARE, LLC.	CLINICALLY INTEGRATED NETWORK	51.00	0.00	49.00
TRADITION SURGERY CENTER, LLC.	SURGICAL VENTURES	32.54	0.00	48.00
STUART SURGERY CENTER	SURGICAL VENTURES	45.88	0.00	26.00

Section A. Hospital Facilities

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

1 MARTIN MEMORIAL MEDICAL CENTER
200 HOSPITAL AVE, STUART, FL 34994
WWW.MARTINHEALTH.ORG STATE LICENSE NO. : 4102

[illegible]

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 letter of facility reporting group ALine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1**Community Health Needs Assessment**

	Yes	No
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		✓
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		✓
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	✓	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	✓	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		✓
6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		✓
7 Did the hospital facility make its CHNA report widely available to the public?	✓	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>(SEE STATEMENT)</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	✓	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?		✓
a If "Yes," (list url): _____		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	✓	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		✓
12b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group A

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? If "Yes," indicate the eligibility criteria explained in the FAP:	13 ✓	
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>2</u> <u>0</u> <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>4</u> <u>0</u> <u>0</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 ✓	
15 Explained the method for applying for financial assistance? If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):	15 ✓	
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	16 ✓	
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>(SEE STATEMENT)</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by LEP populations		
j <input type="checkbox"/> Other (describe in Section C)		

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Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group A

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

Policy Relating to Emergency Medical Care

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

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Part V Facility Information *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group A

	Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	✓
If "Yes," explain in Section C.		
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	✓
If "Yes," explain in Section C.		

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Part V, Section C

Supplemental Information. Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ('A, 1, 'A, 4, 'B, 2, 'B, 3, etc.) and name of hospital facility.

Return Reference - Identifier	Explanation
SCHEDULE H, PART V, SECTION B, LINE 3E - THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY	THE SIGNIFICANT HEALTH NEEDS OF THE COMMUNITY ARE INCLUDED AND PRIORITIZED WITHIN THE CHNA.
SCHEDULE H, PART V, SECTION B, LINE 5 - INPUT FROM PERSONS WHO REPRESENT BROAD INTERESTS OF COMMUNITY SERVED	<p>FACILITY NAME: MARTIN MEMORIAL MEDICAL CENTER</p> <p>DESCRIPTION: MARTIN MEMORIAL ENGAGED WITH CARNAHAN GROUP TO CONDUCT THE COMMUNITY HEALTH NEEDS ASSESSMENT. IN ADDITION THERE WAS A DESIGNATED ASSOCIATE THAT HELPED TO COORDINATE THE ENTIRE PROCESS. INFORMATION WAS GATHERED BY CONDUCTING INTERVIEWS WITH INDIVIDUALS REPRESENTING COMMUNITY HEALTH AND PUBLIC SERVICE ORGANIZATIONS INCLUDING THE UNITED WAY OF MARTIN AND ST. LUCIE COUNTY, COUNTY HEALTH DEPARTMENTS, SCHOOL HEALTH SERVICES, MEDICAL PROFESSIONALS, INCLUDING PHYSICIANS, HOSPITAL ADMINISTRATION, OTHER HOSPITAL STAFF, AND ORGANIZATIONS WHOSE MISSION IS TO SERVE THE MEDICALLY UNDERSERVED AND LOW INCOME POPULATIONS IN THE COMMUNITY TO OBTAIN A DIVERSE AND ACCURATE REPRESENTATION.</p>
SCHEDULE H, PART V, SECTION B, LINE 7 - HOSPITAL FACILITY'S WEBSITE (LIST URL)	HTTPS://WWW.MARTINHEALTH.ORG/ADDRESSING-COMMUNITY-HEALTH-NEEDS
SCHEDULE H, PART V, SECTION B, LINE 11 - HOW HOSPITAL FACILITY IS ADDRESSING NEEDS IDENTIFIED IN CHNA	<p>FACILITY NAME: MARTIN MEMORIAL MEDICAL CENTER, INC.</p> <p>DESCRIPTION: MARTIN MEMORIAL IS TAKING A MULTI-FACETED APPROACH TO ADDRESSING THE 6 MAJOR HEALTH DISPARITIES IN OUR COMMUNITY- DIABETES, OBESITY, CANCER, ACCESS AND AFFORDABILITY, MENTAL HEALTH, AND SUBSTANCE ABUSE. WE ARE WORKING WITH COMMUNITY PARTNERS INCLUDING THE LOCAL PUBLIC HEALTH ENTITIES AND OTHER NON-PROFIT ORGANIZATIONS ON COMMUNITY-WIDE PROGRAMS TO ADDRESS ACCESS AND OBESITY INITIATIVES. WE HAVE A MULTITUDE OF PROGRAMS FOR DIABETES INCLUDING DIABETES PREVENTION PROGRAMS AND SUPPORT GROUPS, WHICH WE EXPANDED TO SERVE BOTH COUNTIES. WE ARE ENGAGED WITH LOCAL COMMUNITY BASED ORGANIZATIONS IN SOME OF OUR UNDERSERVED NEIGHBORHOODS TO CONDUCT FREE HEALTH SCREENINGS INCLUDING FREE FLU SHOTS IN NEIGHBORHOODS WHERE DIABETES, POOR NUTRITION, OBESITY AND LACK OF RESOURCES ARE PREVALENT. IN ADDITION, WE OFFER PROSTATE SCREENINGS TO THE COMMUNITY AND LAUNCHED A LUNG NAVIGATOR PROGRAM THAT OFFERS A LOW COST LOW DOSE CT PROGRAM TO CATCH LUNG CANCER EARLY. WE CURRENTLY HAVE A COMPREHENSIVE HEALTH MANAGEMENT PROGRAM WHICH IS AN EVIDENCE BASED FREE OF CHARGE PROGRAM THAT TAKES CHRONIC DISEASE PATIENTS AND PLACES THEM IN THE CARE OF PHARMACISTS TO HELP CONTROL THEIR DIABETES, OBESITY AND OTHER COMPLICATED DISEASES. WE PARTNER WITH OUR LOCAL VOLUNTEERS IN MEDICINE CLINIC TO PROVIDE FREE FITNESS MEMBERSHIPS TO THE PEOPLE THAT USE THEIR SERVICES TO ADDRESS OBESITY. ALTHOUGH WE DO NOT OFFER MENTAL HEALTH OR SUBSTANCE ABUSE SERVICES WITHIN OUR HEALTH SYSTEM, WE HAVE CREATED PARTNERSHIPS WITH OTHER PROVIDERS OF THOSE SERVICES TO ENHANCE COMMUNITY EDUCATION AND AWARENESS ON MENTAL HEALTH, SUICIDE AND SUBSTANCE ABUSE ISSUES. AS THE SUBSTANCE ABUSE EPIDEMIC HAS SPREAD TO OUR SERVICE AREA WE HAVE JOINED THE TREASURE COAST OPIOID TASK FORCE AND HEAD UP THE HEALTHCARE SUBCOMMITTEE TO WORK ON ADDRESSING THAT NEED. WE CONTINUALLY LOOK FOR OPPORTUNITIES TO GET OUT AND EDUCATE THE COMMUNITY, PROVIDING FREE LECTURES ON HEALTH RELATED TOPICS TO A MULTITUDE OF ENTITIES THROUGHOUT THE COMMUNITY. CARING FOR THE COMMUNITY IS AT THE CENTER OF WHAT WE DO.</p>
SCHEDULE H, PART V, SECTION B, LINE 16A - FAP AVAILABLE WEBSITE	HTTPS://WWW.MARTINHEALTH.ORG/PATIENT-FINANCIAL-ASSISTANCE-POLICY
SCHEDULE H, PART V, SECTION B, LINE 16B - FAP APPLICATION FORM WEBSITE	HTTPS://WWW.MARTINHEALTH.ORG/PATIENT-FINANCIAL-ASSISTANCE-POLICY
SCHEDULE H, PART V, SECTION B, LINE 16C - PLAIN LANGUAGE FAP SUMMARY WEBSITE	HTTPS://WWW.MARTINHEALTH.ORG/PATIENT-FINANCIAL-ASSISTANCE-POLICY

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? 33

Name and address	Type of Facility (describe)
1 MARTIN REHABILITATION CENTER 11602 SE FEDERAL HWY HOBE SOUND, FL 33455	REHABILITATION CENTER
2 MARTIN BARIATRIC AND METABOLIC SURGERY CENTER 3496 NW FEDERAL HWY JENSEN BEACH, FL 34957	MORBID OBESITY CONSULTING
3 MARTIN MEDICAL HEALTH & FITNESS 11602 SE FEDERAL HWY HOBE SOUND, FL 33455	MEDICALLY DIRECTED FITNESS CENTER.
4 DAVID L. SMYTHE WOUND CENTER 314 HOSPITAL AVE STUART, FL 34994	WOUND CARE CENTER
5 MARTIN PEDIATRIC AND AQUATICS THERAPY 3496 NW FEDERAL HWY JENSEN BEACH, FL 34957	PEDIATRIC REHABILITATION CENTER
6 MMMC PEDIATRIC REHAB 1095 NW ST LUCIE W BLVD PORT ST LUCIE, FL 34986	PEDIATRIC REHABILITATION CENTER
7 MARTIN REHABILITATION CENTER 509 RIVERSIDE DRIVE STUART, FL 34994	REHABILITATION CENTER
8 EAST OCEAN LAB DRAWING STATION 2392 SE OCEAN BLVD STUART, FL 34996	BLOOD DRAW STATION
9 MMMC WOUND CENTER 1095 NW ST LUCIE W BLVD PORT ST LUCIE, FL 34984	WOUND CARE CENTER
10 MARTIN MEMORIAL MEDICAL CENTER 1095 ST. LUCIE WEST BLVD. PORT ST LUCIE, FL 34986	EMERGENCY ROOM

Schedule H (Form 990) 2017

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? 33

Name and address	Type of Facility (describe)
1 MARTIN REHABILITATION CENTER 1095 SW ST. LUCIE WEST BLVD PORT ST LUCIE, FL 34986	REHABILITATION CENTER
2 RICHARD C. RAUB REHABILITATION CENTER 2195 SE OCEAN BLVD STUART, FL 34996	REHABILITATION CENTER
3 MARTIN MEDICAL RADIATION ONCOLOGY 1095 SW ST LUCIE WEST BLVD PORT ST LUCIE, FL 34986	RADIATION ONCOLOGY TREATMENT CENTER
4 MARTIN MEDICAL HEALTH & FITNESS 3066 SW MARTIN DOWNS BLVD PALM CITY, FL 34950	MEDICALLY DIRECTED FITNESS CENTER.
5 MARTIN REHABILITATION CENTER 6001 SE TOWER DRIVE STUART, FL 34997	REHABILITATION CENTER
6 MARTIN MEDICAL OUTPATIENT SURGERY CENTER 509 RIVERSIDE DRIVE STUART, FL 34995	OUTPATIENT SURGERY DEPARTMENT
7 MARTIN MEDICAL BACK AND SPINE CENTER 10050 SW INNOVATION WAY PORT ST LUCIE, FL 34986	NEUROSURGEONS OFFICE.
8 MARTIN REHABILITATION CENTER 3066 SW MARTIN DOWNS BLVD PALM CITY, FL 34950	REHABILITATION CENTER
9 ST. LUCIE WEST LAB DRAWING STATION 1095 SW ST. LUCIE WEST BLVD PORT ST LUCIE, FL 34986	BLOOD DRAW STATION
10 MARTIN OCCUPATIONAL HEALTH SERVICES 2384 E. OCEAN BLVD STUART, FL 34996	MARTIN OCCUPATIONAL HEALTH SERVICES

Schedule H (Form 990) 2017

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? 33

Name and address	Type of Facility (describe)
1 ROBERT AND CAROL WEISSMAN CANCER CENTER 501 OSCEOLA STREET STUART, FL 34994	CANCER CENTER
2 MARTIN MEDICAL SLEEP DISORDERS CENTER 3066 SW MARTIN DOWNS BLVD PALM CITY, FL 34950	SLEEP DISORDERS CENTER
3 MARTIN MEDICAL BACK AND SPINE CENTER 509 RIVERSIDE DRIVE STUART, FL 34994	NEUROSURGEONS OFFICES
4 MARTIN MEDICAL HEALTH & FITNESS 3496 NW FEDERAL HWY JENSEN BEACH, FL 34957	MEDICALLY DIRECTED FITNESS CENTER.
5 PALM CITY LAB DRAWING STATION 3066 SW MARTIN DOWNS BLVD PALM CITY, FL 34950	BLOOD DRAW STATION
6 MARTIN MEDICAL CARDIO REHAB 308 HOSPITAL AVE STUART, FL 34994	CARDIAC CARE REHABILITATION
7 MARTIN REHABILITATION CENTER 1651 SE TIFFANY PORT ST LUCIE, FL 34952	REHABILITATION CENTER
8 PORT ST. LUCIE LAB DRAWING STATION 1651 SE TIFFANY PORT ST LUCIE, FL 34952	BLOOD DRAW STATION
9 MARTIN MEDICAL HEALTH & FITNESS 6001 SE TOWER DRIVE STUART, FL 34997	MEDICALLY DIRECTED FITNESS CENTER.
10 MARTIN CHRONIC DISEASE 2150 SE SALERNO ROAD STUART, FL 34997	CHRONIC DISEASE CENTER

Schedule H (Form 990) 2017

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? 33

Name and address	Type of Facility (describe)
1 LAB DRAWING STATION- TRADITION MEDICAL CENTER	BLOOD DRAW STATION
10050 SW INNOVATION WAY	
PORT ST. LUCIE, FL 34987	
2 TREASURE COAST MEDICAL PAVILION FOR HEALTH AND HEALING	HEALTH AND HEALING
3496 NW FEDERAL HWY, SUITE F	
JENSEN BEACH, FL 34957	
3 STUART SURGERY CENTER	SURGICAL
2096 SE OCEAN BLVD	
STUART, FL 34996	
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Schedule H (Form 990) 2017

Provide the following information.

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

Return Reference - Identifier	Explanation
SCHEDULE H, PART I, LINE 7 - EXPLANATION OF COSTING METHODOLOGY USED FOR CALCULATING LINE 7 TABLE	THE COST-TO-CHARGE RATIO DERIVED FROM WORKSHEET 2 WAS USED FOR THESE CALCULATIONS.
SCHEDULE H, PART I, LINE 7, COL (F) - BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	29,081,311
SCHEDULE H, PART II - DESCRIBE HOW BUILDING ACTIVITIES PROMOTE THE HEALTH OF THE COMMUNITY	MARTIN MEMORIAL HAS PROGRAMS TARGETED AT ADDRESSING COMMUNITY-WIDE WORKFORCE ISSUES. MARTIN MEMORIAL JOINED WITH THE MARTIN COUNTY SCHOOL DISTRICT TO FORM PROJECT SEARCH, WHICH IS A ONE YEAR HIGH SCHOOL TRANSITION PROGRAM. IT IS OFFERED THROUGH THE SCHOOL DISTRICT AND PROVIDES TRAINING AND EDUCATION WHICH LEADS TO POSSIBLE EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES. IT SERVES AS A WORKFORCE ALTERNATIVE FOR STUDENTS AGES 18-21 IN THEIR LAST YEAR OF HIGH SCHOOL, OR STUDENTS 18-21 THAT GRADUATED WITH A SPECIAL DIPLOMA. WE PROVIDE A TRAINING CLASSROOM, A BUSINESS LIAISON, AND A ROTATIONAL INTERNSHIP FOR ON THE JOB TRAINING FOR ALL PARTICIPANTS. IN ADDITION TO PROJECT SEARCH WE HAVE WORKFORCE DEVELOPMENT PROGRAMS THAT ARE SCHOOL-BASED PROGRAMS FOCUSED ON HEALTHCARE CAREERS. STUDENTS ARE ABLE TO COME IN AND LEARN ABOUT HEALTHCARE CAREERS AND JOB SHADOW IN CRITICAL NATIONAL SHORTAGE AREAS.
SCHEDULE H, PART III, LINE 2 - METHODOLOGY USED TO ESTIMATE BAD DEBT	MARTIN MEMORIAL ACCOUNTS FOR BAD DEBT EXPENSE USING A RESERVE METHODOLOGY WHICH ESTIMATES HISTORICAL WRITE-OFFS AS A PERCENTAGE OF PATIENT ACCOUNTS RECEIVABLE. THE ESTIMATED BAD DEBT ON CURRENT ACCOUNTS WHICH WILL BE WRITTEN OFF IN FUTURE PERIODS IS ACCRUED AS EXPENSE IN THE INCOME STATEMENT AND IS EVALUATED MONTHLY. BAD DEBT EXPENSE IS REPORTED AT GROSS IN ACCORDANCE WITH FINANCIAL STATEMENT PRESENTATION IN THE SEPTEMBER 30, 2018 AUDITED FINANCIAL STATEMENTS.
SCHEDULE H, PART III, LINE 3 - FAP ELIGIBLE PATIENT BAD DEBT CALCULATION METHODOLOGY	THE MEDICAL CENTER ATTEMPTS TO QUALIFY ALL NON-INSURED PATIENTS FOR MEDICAID OR OTHER MEANS-TESTED PROGRAMS. ANY PATIENT THAT IS INELIGIBLE FOR MEDICAID OR OTHER MEANS-TESTED PROGRAMS AND DOES NOT HAVE INSURANCE IS CLASSIFIED AS SELF PAY. THE BAD DEBT IS PRIMARILY BASED ON UNPAID SELF PAY BALANCES. MARTIN DOES NOT USE ANY PORTION OF BAD DEBT IN ITS FINANCIAL ASSISTANCE CALCULATION. MARTIN ESTIMATES THAT 20 PERCENT OF THE BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS WHO MAY HAVE QUALIFIED FOR FINANCIAL ASSISTANCE IF IT WAS POSSIBLE TO OBTAIN SUFFICIENT INFORMATION TO DETERMINE THEIR ELIGIBILITY. MARTIN MEMORIAL CONSIDERS THIS PORTION OF BAD DEBT TO BE COMMUNITY BENEFIT.

Return Reference - Identifier	Explanation
SCHEDULE H, PART III, LINE 4 - FOOTNOTE IN ORGANIZATION'S FINANCIAL STATEMENTS DESCRIBING BAD DEBT	<p>BELOW IS THE TEXT OF THE FOOTNOTE FROM THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS THAT DISCUSSES BAD DEBT EXPENSE.</p> <p>PATIENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS. IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE MEDICAL CENTER ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS AND PROVISION FOR UNCOLLECTIBLE ACCOUNTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY INSURANCE COVERAGE, THE MEDICAL CENTER ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND A PROVISION FOR UNCOLLECTIBLE ACCOUNTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS 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 (WHICH INCLUDE BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE MEDICAL CENTER RECORDS A SIGNIFICANT PROVISION FOR UNCOLLECTIBLE ACCOUNTS 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 MEDICAL CENTER REGULARLY PERFORMS HINDSIGHT PROCEDURES TO EVALUATE HISTORICAL WRITE-OFF AND COLLECTION EXPERIENCE THROUGHOUT THE YEAR TO ASSIST IN DETERMINING THE REASONABLENESS OF ITS PROCESS FOR ESTIMATING THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS. 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 ESTIMATED UNCOLLECTIBLE ACCOUNTS.</p>
SCHEDULE H, PART III, LINE 8 - DESCRIBE EXTENT ANY SHORTFALL FROM LINE 7 TREATED AS COMMUNITY BENEFIT AND COSTING METHOD USED	<p>MARTIN MEMORIAL'S MISSION IS TO SERVE THE HEALTH CARE NEEDS OF ITS PATIENTS WITHIN THE COMMUNITY. MARTIN MEMORIAL CONSIDERS THE PROVISION OF CARE TO PATIENTS, DESPITE REPORTING A MEDICARE OPERATING SHORTFALL, TO BE A COMMUNITY BENEFIT.</p> <p>THE SHORTFALL OF \$34,129,820 REPRESENTS UNREIMBURSED SERVICES TO MEMBERS OF OUR COMMUNITY. THESE SERVICES ARE A VITAL PART OF THE HEALTH CARE MARTIN MEMORIAL PROVIDES TO THESE PATIENTS. ONLY BY PROVIDING THESE SERVICES BELOW COST ARE WE ABLE TO MEET THE NEEDS OF THESE PATIENTS. THE DATA USED TO DETERMINE THE REVENUE AND COST AMOUNTS CAME DIRECTLY FROM THE MEDICARE COST REPORT.</p>
SCHEDULE H, PART III, LINE 9B - DID COLLECTION POLICY CONTAIN PROVISIONS ON COLLECTION PRACTICES FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR ASSISTANCE	<p>MARTIN MEMORIAL INTERVIEWS POTENTIAL FINANCIAL ASSISTANCE PATIENTS/GUARANTORS TO DETERMINE THE PAYMENT SOURCES, ASCERTAIN WHETHER A REFERRAL FOR A MEDICAL ECONOMIC SOCIAL PAYMENT SOURCE IS ADVISABLE OR DETERMINE IF THE PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE. MARTIN MEMORIAL LOOKS AT THE PATIENTS' ASSETS, LIABILITIES, INCOME, FAMILY SIZE, EXISTING MONTHLY BILLS, AND OTHER PERTINENT FINANCIAL INDICATORS, SUCH AS THE AMOUNT OF MEDICAL BILLS. MARTIN MEMORIAL USES THE STATE OF FLORIDA HCCB CHARITY/UNCOMPENSATED CARE GUIDELINES (200% OF THE CURRENT FEDERAL POVERTY GUIDELINES) AS A THRESHOLD FOR GRANTING FINANCIAL ASSISTANCE. IN CERTAIN INSTANCES WHERE MEDICAL INDIGENCY IS ASCERTAINED, FINANCIAL ASSISTANCE WOULD BE APPROVED FOR CASES THAT EXCEED THE HCCB INCOME THRESHOLD GUIDELINES. AFTER THE INTERVIEW, IF FULL OR PARTIAL PAYMENT IS NOT ANTICIPATED, THE ACCOUNT IS CONVERTED TO A FINANCIAL ASSISTANCE STATUS, AND WILL NOT BE CONSIDERED BAD DEBT. ONCE CONVERTED TO FINANCIAL ASSISTANCE THE PATIENT IS NOT EXPECTED TO MAKE PAYMENTS AND IS NOT PURSUED FOR PAYMENT.</p> <p>IF THE PATIENT IS KNOWN TO BE UNDER A CURRENT FINANCIAL ASSISTANCE PROVISION, THE COMPUTER SYSTEM ALERTS MMMC AND THE SYSTEM ADJUSTS THE BALANCE SO THAT THE PATIENT IS NOT BILLED.</p>
SCHEDULE H, PART VI, LINE 2 - NEEDS ASSESSMENT	<p>IDENTIFYING THE HEALTH CARE NEEDS OF OUR COMMUNITIES IS IMPERATIVE, SO THAT WE BEST KNOW HOW TO SERVE OUR RESIDENTS AND PROVIDE THEM WITH EXCEPTIONAL CARE. OUR COMMUNITY HEALTH NEEDS ASSESSMENT WAS EXTREMELY HELPFUL IN HELPING TO IDENTIFY THE LOCAL NEEDS THAT WE CONSIDER PRIORITY AREAS THAT WE CAN ADDRESS. AS A HOSPITAL SYSTEM IT SHOWED US THE OPPORTUNITIES WHERE WE ARE ABLE TO FILL THOSE GAPS. SOME OF THE WAYS THAT WE ASSESS THOSE NEEDS, IN ADDITION TO THE COMMUNITY HEALTH NEEDS ASSESSMENT, ARE TO STAY ACTIVE AND ENGAGED WITH OTHER ORGANIZATIONS THAT DIRECTLY SERVE THE POPULATIONS WITH THE MOST NEED. EXAMPLES OF THESE ARE THE QUARTERLY COMMUNITY CONVERSATIONS IN MARTIN COUNTY, LED BY THE UNITED WAY OF MARTIN COUNTY AND REPRESENTING OVER 50 ORGANIZATIONS COUNTY-WIDE. THE COUNCIL OF SOCIAL AGENCIES IN ST. LUCIE ALSO HAS A VERY SIMILAR GOAL OF BRINGING THESE TYPES OF AGENCIES TOGETHER. HURRICANE PREPAREDNESS, DENTAL AND ORAL HYGIENE FOR OUR PEDIATRIC AGE GROUPS, TO OBESITY AND NUTRITION CLASSES FOR THE HOMELESS POPULATION ARE SOME OF THE MOST RECENT TOPICS THAT WERE DISCUSSED. BY HAVING THESE OPEN CONVERSATIONS MANY NEEDS ARE ABLE TO BE DISCUSSED AND CHANGE CAN THEN BE FACILITATED. TWO OTHER ORGANIZATIONS ARE THE INTER-AGENCY COALITION AND HEALTHY ST. LUCIE, WHICH THE HOSPITAL SYSTEM ATTENDS MONTHLY MEETINGS. WE COLLABORATE WITH THESE GROUPS TO ENHANCE OUR KNOWLEDGE AND REACH. THE LAST EXAMPLE IS OUR PARTNERSHIP WITH THE MARTIN COUNTY SCHOOL BOARD, WHICH WAS A PILOT PROGRAM WE RECENTLY STARTED. AFTER SITTING DOWN WITH THE WELLNESS COORDINATOR AND BENEFITS DIRECTOR AND EXTENSIVELY REVIEWING THE DEMOGRAPHICS AND PARTICULAR NEEDS OF THEIR OVER 4,000 EMPLOYEES, WE DETERMINED THAT A HEART SCREENING WOULD BE MOST BENEFICIAL. WE THEN OFFERED A LOW-COST, EMPLOYER PAID SCREENING FOR 90 EMPLOYEES. THE HOSPITAL SYSTEM CONTINUES TO EVALUATE AND COLLABORATE TO MEET THE EVER-CHANGING NEEDS OF THE RESIDENTS AND COMMUNITY MEMBERS IN THE AREAS THAT WE SERVE.</p>
SCHEDULE H, PART VI, LINE 3 - PATIENT EDUCATION	<p>FINANCIAL ASSISTANCE PROGRAMS ARE POSTED IN THE LOBBIES OF THE THREE EMERGENCY DEPARTMENTS, ADMITTING AREAS AND WRITTEN ON PATIENT STATEMENTS AND BILLING. INFORMATION IS ALSO AVAILABLE ON MARTIN MEMORIAL'S WEBSITE AND ALL COLLECTION NOTICES ALSO CONTAIN INFORMATION ABOUT FINANCIAL ASSISTANCE. ESTIMATES FOR PROCEDURES ARE PROVIDED TO THE PATIENTS UPON REQUEST AND ARE AVAILABLE IN SPANISH IN ADDITION TO ENGLISH.</p>

Return Reference - Identifier	Explanation
SCHEDULE H, PART VI, LINE 4 - COMMUNITY INFORMATION	MARTIN MEMORIAL SERVES MARTIN COUNTY AND PORTIONS OF ST. LUCIE COUNTY, A POPULATION OF APPROXIMATELY 368,983. MOST OF THE AREA HAS TRADITIONALLY BEEN A RETIREMENT COMMUNITY, WITH A SUBSTANTIAL POPULATION OF SEASONAL RESIDENTS. HOWEVER SUBSTANTIAL GROWTH IN ST. LUCIE COUNTY HAS INCLUDED MANY YOUNGER FAMILIES WHO LIVE THERE YEAR-ROUND. OUR 2016 COMMUNITY HEALTH NEEDS ASSESSMENT SHOWED THAT WITHIN FIVE YEARS SUBSTANTIAL POPULATION GROWTH IS EXPECTED AMONG RESIDENTS AGES 65 AND OLDER (13.4%) ALONG WITH A SLIGHT POPULATION GROWTH OF INDIVIDUALS AGED 20-44 (3.6%). IN MARTIN COUNTY, NEARLY 30% OF MARTIN COUNTY RESIDENTS ARE OVER AGE 65 AND IN PORT ST. LUCIE, ONLY 21% ARE OLDER THAN 65. THE MOST COMMON RACE/ETHNICITY IN MARTIN MEMORIAL'S COMMUNITY IS WHITE (64.95%) FOLLOWED BY HISPANIC (16.6%) AND BLACK/AFRICAN AMERICAN (14.7%). SUBSTANTIAL POPULATION GROWTH IS EXPECTED FOR HISPANICS (12.1%). MEDIAN HOUSEHOLD INCOME IS \$51,703 IN MARTIN COUNTY AND \$42,665 IN ST. LUCIE COUNTY. IN MARTIN COUNTY 12% OF INDIVIDUALS LIVE BELOW THE POVERTY LINE AND IN ST. LUCIE COUNTY 18.4% OF INDIVIDUALS LIVE BELOW THE POVERTY LINE. THE PERCENTAGE OF CHILDREN LIVING BELOW POVERTY LEVEL-MARTIN COUNTY: 19.2%, ST. LUCIE COUNTY: 28.2%. ST. LUCIE COUNTY HAS A SLIGHTLY HIGHER INCIDENCE OF CHILDREN LIVING IN POVERTY THAN THE STATE AVERAGE OF 24.1%. MARTIN MEMORIAL MEDICAL CENTER IS THE ONLY HOSPITAL IN MARTIN COUNTY, FLORIDA. MARTIN MEMORIAL OPENED OUR THIRD HOSPITAL, TRADITION MEDICAL CENTER, IN DECEMBER 2013 IN WESTERN ST. LUCIE COUNTY. IN OCTOBER 2017 THE TRADITION MEDICAL CENTER EXPANSION WAS COMPLETED, WHICH DOUBLED OUR NUMBER OF BEDS AVAILABLE FOR PATIENTS.
SCHEDULE H, PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH	MARTIN MEMORIAL HAS A MULTIFACETED APPROACH TO PROMOTING COMMUNITY HEALTH. OUR BOARD OF DIRECTORS IS COMPRISED OF COMMUNITY MEMBERS SEEKING TO ENSURE WE PROVIDE ACCESS TO HIGH-QUALITY CARE. THROUGHOUT THE YEAR, MARTIN MEMORIAL PROVIDES FREE OR LOW-COST EDUCATIONAL OPPORTUNITIES AND HEALTH SCREENINGS WHICH ARE AIMED AT DISEASE PREVENTION AND TARGET THE UNDERSERVED POPULATION IN THE COMMUNITY. IN JANUARY 2014 WE WERE ONE OF THE FIRST HOSPITALS IN THE AREA TO LAUNCH A COMPREHENSIVE HEALTH MANAGEMENT PROGRAM THAT FOCUSES ON PATIENTS WITH SEVERE CHRONIC DISEASES WHICH FOCUSES ON MANAGING COMPLICATED DISEASES TO IMPROVE THEIR HEALTH AND QUALITY OF LIFE. THIS CURRENT PROGRAM IS UNABLE TO BE REIMBURSED FROM ANY TYPE OF INSURANCE AND IS COMPLETELY FREE OF CHARGE TO PEOPLE REFERRED INTO THIS PROGRAM. THE ORGANIZATION ALSO OFFERS FREE SUPPORT GROUPS FOR PATIENTS AND FAMILY MEMBERS THAT ARE FACING ONGOING MANAGEMENT OF CHRONIC DISEASES. MARTIN MEMORIAL ASSOCIATES PROVIDE COUNTLESS HOURS OF VOLUNTEER SERVICE TO NOT-FOR-PROFIT AGENCIES AND ORGANIZATIONS, WITH AN EMPHASIS ON THOSE WITH A MISSION TO ENHANCE COMMUNITY HEALTH. MARTIN MEMORIAL OFFERS NUMEROUS SPONSORSHIPS INTENDED TO PROMOTE THE HEALTH AND WELL-BEING OF OUR COMMUNITIES, INCLUDING THE SUPPORT OF TWO LOCAL FREE HEALTH CLINICS THAT HELP THE MEDICALLY UNDERSERVED POPULATION. MARTIN MEMORIAL IS WORKING WITH OTHER AGENCIES AND ORGANIZATIONS TO CREATE PROGRAMS THAT WILL HELP PROMOTE THE OVERALL HEALTH OF THE COMMUNITY. WE CONTINUE TO PARTNER WITH LOCAL COMMUNITY ORGANIZATIONS TO HELP ON COUNTY WIDE HEALTH INITIATIVES. WE HAVE WORKED WITH THE HEALTH DEPARTMENTS IN BOTH MARTIN AND ST. LUCIE COUNTY TO DEVELOP A COMMUNITY WIDE PLAN THAT FOCUSES ON HEALTHY LIFESTYLE. IN ADDITION, A MAJORITY OF THE GOVERNING BODY OF MARTIN MEMORIAL MEDICAL CENTER IS COMPRISED OF PEOPLE WHO RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA AND WHO ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS, NOR FAMILY MEMBERS THEREOF. IN ADDITION, THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY. MARTIN MEMORIAL PERIODICALLY CONDUCTS A PHYSICIAN NEEDS ASSESSMENT THAT REVIEWS THE MAKEUP OF BOTH OUR MEDICAL STAFF AS WELL AS THE PHYSICIAN COMMUNITY IN OUR SERVICE AREA AS A WHOLE. THIS PROVIDES AN OVERVIEW OF WHAT PHYSICIAN SPECIALTIES MAY BE NEEDED IN OUR COMMUNITY.
SCHEDULE H, PART VI, LINE 6 - DESCRIPTION OF AFFILIATED GROUP	MARTIN MEMORIAL MEDICAL CENTER BELONGS TO A GROUP OF AFFILIATED COMPANIES THAT PROVIDE DIAGNOSTIC AND AMBULANCE SERVICES TO THE LOCAL COMMUNITY AND FUNDRAISING FOR THE BENEFIT OF MARTIN MEMORIAL MEDICAL CENTER. MARTIN MEMORIAL ALSO HAS FOR-PROFIT AFFILIATES PROVIDING PHYSICIAN SERVICES TO THE LOCAL COMMUNITY AS WELL AS BILLING AND COLLECTION SERVICES FOR THE AFFILIATED COMPANIES. THERE ARE LIMITED PARTNERSHIPS THAT OWN MEDICAL OFFICE BUILDINGS WHICH PRIMARILY HOUSE AFFILIATED COMPANIES' MEDICAL OFFICES AND CLINICS AS WELL AS AN AFFILIATION WITH AMBULATORY SURGERY CENTERS.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

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

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

59-0637874

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) INDIAN RIVER STATE COLLEGE FOUNDATION 3209 VIRGINIA AVE, FORT PIERCE, FL 34981	59-1105591	501(C)(3)	77,299	0	N/A	N/A	EDUCATION
(2) HANDS OF ST. LUCIE COUNTY 3855 US-1, FT. PIERCE, FL 34982	26-3945016	501(C)(3)	12,500	0	N/A	N/A	HEALTHCARE
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

3 Enter total number of other organizations listed in the line 1 table 0

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50055P

Schedule I (Form 990) (2017)

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
1 HEALTH CARE FOR INDIGENT PATIENTS	219	148,479	0	N/A	N/A
2 SHELTER / TRANSPORTATION / FOOD	189	51,684	0	N/A	N/A
3 ASSOCIATE CARING FUND	50	34,992	0	N/A	N/A
4					
5					
6					
7					

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

(SEE STATEMENT)

Part IV

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

Return Reference - Identifier	Explanation
SCHEDULE I, PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANT FUNDS.	<p>HEALTH CARE ASSISTANCE IS PROVIDED TO ONCOLOGY PATIENTS THAT HAVE A FINANCIAL NEED INCLUDING HELP PAYING FOR MEDICAL EXPENSES, FOOD, SHELTER AND TRANSPORTATION. THE ORGANIZATION'S SOCIAL SERVICES DEPARTMENT ALSO ASSISTS INDIGENT PATIENTS THAT ARE BEING DISCHARGED WITH PHARMACY ITEMS. GRANTS ARE CLOSELY MONITORED AND ASSESSMENTS ARE MADE TO ENSURE THEY ARE USED FOR THE INTENDED PURPOSES.</p> <p>THE MARTIN MEMORIAL MEDICAL CENTER EDUCATION DEPARTMENT WORKS CLOSELY WITH INDIAN RIVER STATE COLLEGE FOUNDATION AS TO THE USE OF THE GRANT FUNDS. IN ADDITION, SPONSORSHIP FUNDS PROVIDED ARE CLOSELY MONITORED TO ENSURE THE FUNDS ARE USED FOR THE INTENDED PURPOSE.</p>

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Compensation Information

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

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

59-0637874

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

	Yes	No
1a		
1b	✓	

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on 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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- | | | |
|--|-----------|---|
| a Receive a severance payment or change-of-control payment? | 4a | ✓ |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | ✓ |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | ✓ |

If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- | | | |
|------------------------------------|-----------|---|
| a The organization? | 5a | ✓ |
| b Any related organization? | 5b | ✓ |

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- | | | |
|------------------------------------|-----------|---|
| a The organization? | 6a | ✓ |
| b Any related organization? | 6b | ✓ |

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

7		✓
---	--	---

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

8		✓
---	--	---

9 If "Yes" on 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 on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	MARK ROBITAILLE FORMER CEO	(i) 57,546 (ii) 0	(i) 145,000 (ii) 0	(i) 1,093,834 (ii) 0	(i) 17,631 (ii) 0	(i) 2,811 (ii) 0	(i) 1,316,822 (ii) 0	(i) 1,093,834 (ii) 0
2	ROBERT LORD PRESIDENT/CEO	(i) 618,971 (ii) 0	(i) 50,041 (ii) 0	(i) 119,995 (ii) 0	(i) 220,353 (ii) 0	(i) 39,613 (ii) 0	(i) 1,048,973 (ii) 0	(i) 119,892 (ii) 0
3	GEORGE RITTERSBACH, MD DIRECTOR	(i) 267,669 (ii) 0	(i) 102,038 (ii) 0	(i) 103 (ii) 0	(i) 15,900 (ii) 0	(i) 37,580 (ii) 0	(i) 423,290 (ii) 0	(i) 0 (ii) 0
4	JEFFREY GLICKMAN, MD DIRECTOR	(i) 278,856 (ii) 0	(i) 65,966 (ii) 0	(i) 0 (ii) 0	(i) 15,900 (ii) 0	(i) 13,709 (ii) 0	(i) 374,431 (ii) 0	(i) 0 (ii) 0
5	CHARLES CLEAVER CFO	(i) 404,898 (ii) 0	(i) 28,257 (ii) 0	(i) 284,998 (ii) 0	(i) 99,639 (ii) 0	(i) 40,242 (ii) 0	(i) 858,034 (ii) 0	(i) 283,051 (ii) 0
6	MARIAN WOSSUM CLO	(i) 294,668 (ii) 0	(i) 19,905 (ii) 0	(i) 0 (ii) 0	(i) 33,900 (ii) 0	(i) 29,996 (ii) 0	(i) 378,469 (ii) 0	(i) 0 (ii) 0
7	EDMUND COLLINS CIO	(i) 287,773 (ii) 0	(i) 20,239 (ii) 0	(i) 65,380 (ii) 0	(i) 31,688 (ii) 0	(i) 37,714 (ii) 0	(i) 442,794 (ii) 0	(i) 65,380 (ii) 0
8	MIGUEL COTY CMCO	(i) 233,153 (ii) 0	(i) 15,978 (ii) 0	(i) 29,370 (ii) 0	(i) 41,497 (ii) 0	(i) 37,688 (ii) 0	(i) 357,686 (ii) 0	(i) 29,370 (ii) 0
9	LIBBY FLIPPO CNO	(i) 309,945 (ii) 0	(i) 20,962 (ii) 0	(i) 0 (ii) 0	(i) 49,996 (ii) 0	(i) 40,131 (ii) 0	(i) 421,034 (ii) 0	(i) 0 (ii) 0
10	ANGIE METCALF CHRO	(i) 291,560 (ii) 0	(i) 20,468 (ii) 0	(i) 8,914 (ii) 0	(i) 47,947 (ii) 0	(i) 40,186 (ii) 0	(i) 409,075 (ii) 0	(i) 8,755 (ii) 0
11	FERNANDO PETRY, DO CMO	(i) 363,238 (ii) 0	(i) 24,621 (ii) 0	(i) 0 (ii) 0	(i) 55,854 (ii) 0	(i) 50,205 (ii) 0	(i) 493,918 (ii) 0	(i) 0 (ii) 0
12	JESSICA MCLAIN CPO	(i) 0 (ii) 193,250	(i) 0 (ii) 40,000	(i) 0 (ii) 0	(i) 0 (ii) 48,025	(i) 0 (ii) 23,109	(i) 0 (ii) 304,384	(i) 0 (ii) 0
13	LAURENCE ROTHSTEIN, MD CPGO	(i) 368,639 (ii) 0	(i) 24,626 (ii) 0	(i) 0 (ii) 0	(i) 53,671 (ii) 0	(i) 31,893 (ii) 0	(i) 478,829 (ii) 0	(i) 0 (ii) 0
14	DR. DANIEL EDELMAN CPO	(i) 284,759 (ii) 0	(i) 16,071 (ii) 0	(i) 0 (ii) 0	(i) 15,900 (ii) 0	(i) 23,181 (ii) 0	(i) 339,911 (ii) 0	(i) 0 (ii) 0
15	JOHN AFSHAR, MD NEUROSURGEON	(i) 848,572 (ii) 0	(i) 541,720 (ii) 0	(i) 0 (ii) 0	(i) 118,900 (ii) 0	(i) 40,069 (ii) 0	(i) 1,549,261 (ii) 0	(i) 0 (ii) 0
16	(SEE STATEMENT)	(i)						
		(ii)						

Schedule J (Form 990) 2017

Part II**Officers, Directors, Trustees, Key Employees and Highest Compensated Employees** (continued)

(a) Name		(b) Breakdown of W-2 and/or 1099-MISC compensation			(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(16) JOHN VIOLA, MD PHYSICIAN	(i)	794,837	304,227	0	97,900	40,069	1,237,033	0
	(ii)	0	0	0	0	0	0	0
(17) JOHN ROBINSON, MD NEUROSURGEON	(i)	846,339	117,850	0	118,900	40,069	1,123,158	0
	(ii)	0	0	0	0	0	0	0
(18) JORGE CASTILLO, MD PHYSICIAN	(i)	488,301	148,857	0	15,900	47,580	700,638	0
	(ii)	0	0	0	0	0	0	0
(19) DR. OSZKAR SZENTIRMAI NEUROSURGEON	(i)	842,212	36,611	0	20,150	42,124	941,097	0
	(ii)	0	0	0	0	0	0	0

Part III

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

Return Reference - Identifier	Explanation
SCHEDULE J, PART I, LINE 1A - TAX INDEMNIFICATION AND GROSS-UP PAYMENTS	THE NONQUALIFIED DEFINED BENEFIT SERP PLAN HAS A TAX ADJUSTMENT FACTOR IN ITS BENEFIT CALCULATION.
SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	<p>COMPENSATION REPORTED IN THE FORM 990, PARTICULARLY BENEFIT COSTS, MAY BE CONFUSING, ESPECIALLY WHEN MAKING COMPARISONS FROM ONE ORGANIZATION TO ANOTHER OR EVEN FROM ONE YEAR TO ANOTHER FOR THE SAME ORGANIZATION. RETIREMENT BENEFIT COSTS VARY WIDELY DEPENDING ON THE TYPE OF PLAN - DEFINED BENEFIT OR CONTRIBUTION, AND THE AGE AND TENURE OF THE EXECUTIVE.</p> <p>MARTIN MEMORIAL MAINTAINS SEVERAL UNFUNDED SUPPLEMENTAL RETIREMENT PLANS. THE AMOUNT ACCRUED (NOT PAID) WAS \$186,453 FOR MR. LORD, \$25,597 FOR MR. COTY, \$31,688 FOR MR. COLLINS, \$32,047 FOR MS. METCALF, \$65,739 FOR MR. CLEAVER, \$34,096 FOR MS. FLIPPO, \$39,954 FOR DR. PETRY, \$24,020 FOR MS. MCLAIN, \$19,771 FOR DR. ROTHSTEIN, \$85,000 FOR DR. AFSHAR, \$85,000 FOR DR. ROBINSON, \$64,000 FOR DR. VIOLA, AND \$4,250 FOR DR. SZENTIRMAI. THE FOLLOWING PARTICIPANTS IN THIS PLAN RECEIVED DISTRIBUTIONS: \$119,892 FOR MR. LORD, \$283,051 FOR MR. CLEAVER, \$65,380 FOR MR. COLLINS, \$29,370 FOR MR. COTY, AND \$8,755 FOR MS. METCALF.</p> <p>DR. CASTILLO, MS. WOSSUM, AND DR. EDELMAN DO NOT PARTICIPATE IN THESE PLANS.</p> <p>MARK ROBITAILLE PARTICIPATES IN A NON-QUALIFIED DEFINED BENEFIT SERP PLAN. THE AMOUNT THAT BECAME VESTED WAS \$1,093,834 FOR MR. ROBITAILLE. THIS AMOUNT WAS INCLUDED ON HIS FORM W-2, AND AN AMOUNT SUFFICIENT TO COVER TAXATION WAS DISTRIBUTED TO HIM.</p>

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MARTIN COUNTY HEALTH FACILITIES AUTHORITY	36-2646523	573903EF4	02/09/2012	127,052,929	CONSTRUCTION OF NEW HOSPITAL IN SAINT LUCIE COUNTY		✓		✓		✓
B	MARTIN COUNTY HEALTH FACILITIES AUTHORITY	36-2646523	573903FD8	11/15/2012	30,822,326	REFUND 7/1997 AND 12/1998 BOND ISSUES		✓		✓		✓
C	MARTIN COUNTY HEALTH FACILITIES AUTHORITY	36-2646523		12/15/2010	24,095,000	ACQUISITION OF MEDICAL EQUIPMENT		✓		✓		✓
D	MARTIN COUNTY HEALTH FACILITIES AUTHORITY	36-2646523		09/24/2013	26,555,000	REFUND 5/2007 BOND ISSUE		✓		✓		✓

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired		3,080,080		6,225,000		4,560,000		7,060,000
2 Amount of bonds legally defeased		0		0		0		0
3 Total proceeds of issue		128,299,649		30,822,326		24,242,680		26,555,000
4 Gross proceeds in reserve funds		11,812,842		0		0		0
5 Capitalized interest from proceeds		10,269,255		0		0		0
6 Proceeds in refunding escrows		0		0		0		0
7 Issuance costs from proceeds		2,523,995		572,679		202,903		0
8 Credit enhancement from proceeds		0		0		0		0
9 Working capital expenditures from proceeds		0		0		0		0
10 Capital expenditures from proceeds		103,409,411		0		24,039,777		0
11 Other spent proceeds		284,145		30,249,647		0		26,555,000
12 Other unspent proceeds		0		0		0		0
13 Year of substantial completion		2013		2012		2013		2013
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		✓		✓		✓		✓
15 Were the bonds issued as part of an advance refunding issue?		✓		✓		✓		✓
16 Has the final allocation of proceeds been made?	✓		✓		✓		✓	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓		✓		✓		✓	

Part III Private Business Use

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

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?	✓		✓		✓		✓	
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?	✓		✓		✓		✓	
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 . . . ▶	0.00 %		0.00 %		0.00 %		0.00 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶	0.00 %		0.00 %		0.00 %		0.00 %	
6 Total of lines 4 and 5	0.00 %		0.00 %		0.00 %		0.00 %	
7 Does the bond issue meet the private security or payment test?		✓		✓		✓		✓
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?		✓		✓		✓		✓
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓		✓		✓		✓	

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		✓		✓		✓		✓
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		✓		✓		✓	✓	
b Exception to rebate?		✓		✓		✓		✓
c No rebate due?	✓		✓		✓			✓
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed	02/09/2018		11/15/2018		11/15/2018			
3 Is the bond issue a variable rate issue?		✓		✓		✓	✓	
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓		✓		✓	✓	
b Name of provider							WELLS FARGO	
c Term of hedge							25.0	
d Was the hedge superintegrated?								✓
e Was the hedge terminated?								✓

Part V Procedures To Undertake Corrective Action

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

Part V Procedures To Undertake Corrective Action

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 isn't available under applicable regulations?	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓	

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

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	MARTIN COUNTY HEALTH FACILITIES AUTHORITY	36-2646523	573903FX4	09/10/2015	109,488,863	(SEE STATEMENT)		✓		✓		✓
B												
C												
D												

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired		0						
2 Amount of bonds legally defeased		0						
3 Total proceeds of issue		109,488,863						
4 Gross proceeds in reserve funds		0						
5 Capitalized interest from proceeds		12,834,854						
6 Proceeds in refunding escrows		0						
7 Issuance costs from proceeds		0						
8 Credit enhancement from proceeds		0						
9 Working capital expenditures from proceeds		0						
10 Capital expenditures from proceeds		96,654,009						
11 Other spent proceeds		0						
12 Other unspent proceeds		0						
13 Year of substantial completion		2017						
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		✓						
15 Were the bonds issued as part of an advance refunding issue?		✓						
16 Has the final allocation of proceeds been made?		✓						
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓							

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?		✓						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		✓						

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?	✓							
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?	✓							
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 . . . ▶		0.00 %		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government . . . ▶		0.00 %		%		%		%
6 Total of lines 4 and 5		0.00 %		%		%		%
7 Does the bond issue meet the private security or payment test?		✓						
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?		✓						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	✓							

Part IV Arbitrage

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

Part V Procedures To Undertake Corrective Action

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

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 isn't available under applicable regulations?	✓							

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

(SEE STATEMENT)

[illegible]

Part VI

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

Return Reference - Identifier	Explanation
SCHEDULE K, PART I, COLUMN (F) - DESCRIPTION OF PURPOSE ISSUER NAME: MARTIN COUNTY HEALTH FACILITIES AUTHORITY	CONSTRUCTION OF HOSPITAL EXPANSION IN SAINT LUCIE COUNTY
SCHEDULE K, PART II, LINE 3 - TOTAL PROCEEDS OF ISSUE	THE TOTAL PROCEEDS OF ISSUE SHOWN IN PART II, LINE 3 ARE DIFFERENT THAN THE ISSUE PRICE SHOWN IN PART I BECAUSE THE FIGURE IN PART II INCLUDES INVESTMENT EARNINGS ON THE PROCEEDS. THIS IS CONSISTENT WITH THE FORM INSTRUCTIONS.
SCHEDULE K, PART IV, LINE 2C - COLUMN A	ISSUER NAME: MARTIN COUNTY HEALTH FACILITIES AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 02/09/2018
SCHEDULE K, PART IV, LINE 2C - COLUMN B	ISSUER NAME: MARTIN COUNTY HEALTH FACILITIES AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 11/15/2018
SCHEDULE K, PART IV, LINE 2C - COLUMN C	ISSUER NAME: MARTIN COUNTY HEALTH FACILITIES AUTHORITY THE CALCULATION FOR COMPUTING NO REBATE DUE WAS PERFORMED ON 11/15/2018

SCHEDULE L
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Transactions With Interested Persons**

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

OMB No. 1545-0047

2017**Open To Public Inspection**

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

Employer identification number

59-0637874

Part I**Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

Part II**Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ▶						\$						

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Cat. No. 50056A

Schedule L (Form 990 or 990-EZ) 2017

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) (SEE STATEMENT)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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

Part IV**Business Transactions Involving Interested Persons** (continued)

(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) ANNE LORD	SISTER-IN-LAW OF ROB LORD, OFFICER OF MARTIN MEDICAL CENTER	\$58,737	COMPENSATION		✓
(2) PATRICK FOGARTY	NEPHEW OF ROB LORD, OFFICER OF MARTIN MEDICAL CENTER	\$39,400	COMPENSATION		✓
(3) DEIDRE WRIGHT-GAINEY	DAUGHTER-IN-LAW OF ELMIRA GAINEY, DIRECTOR OF MARTIN MEDICAL CENTER	\$40,423	COMPENSATION		✓

**SCHEDULE O
(Form 990 or 990-EZ)**Department of Treasury Internal
Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

- ▶ Attach to Form 990 or 990-EZ.
- ▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the Organization
MARTIN MEMORIAL MEDICAL CENTER, INC.Employer Identification Number
59-0637874

Return Reference - Identifier	Explanation
FORM 990, PART VI, LINE 2 - FAMILY/BUSINESS RELATIONSHIPS AMONGST INTERESTED PERSONS	GEORGE MCLAIN MD AND JESSICA MCLAIN - FAMILY RELATIONSHIP CHARLES CLEAVER, EDMUND COLLINS, MIGUEL COTY, LIBBY FLIPPO, ROB LORD, JESSICA MCLAIN, ANGIE METCALF, AND FERNANDO PETRY - BUSINESS RELATIONSHIP
FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS	MARTIN MEMORIAL HEALTH SYSTEMS, INC. A 501(C)(3) TAX EXEMPT CORPORATION, IS THE SOLE MEMBER OF MARTIN MEMORIAL MEDICAL CENTER, INC.
FORM 990, PART VI, LINE 7A - MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	THE MEMBER OF MARTIN MEMORIAL MEDICAL CENTER MAY SELECT, REPLACE OR REMOVE THE MEMBERS OF THE GOVERNING BODY.
FORM 990, PART VI, LINE 7B - DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	<p>THE SOLE MEMBER OF THE MEDICAL CENTER EXPRESSLY RESERVES THE FOLLOWING POWERS, TO BE EXERCISED BY IT IN ITS SOLE DISCRETION:</p> <p>-TO SELECT OR REPLACE AND TO REMOVE, WITH OR WITHOUT CAUSE, DIRECTORS OF THE MEDICAL CENTER; AND</p> <p>-TO AMEND THE ARTICLES OF INCORPORATION;</p> <p>-TO AMEND THE BYLAWS OF THE MEDICAL CENTER;</p> <p>-ADOPT ANY ANNUAL OR LONG-TERM CAPITAL OR OPERATIONAL BUDGET OR ANY CHANGES THEREIN;</p> <p>-AUTHORIZE THE MEDICAL CENTER TO ENTER INTO ANY CONTRACT OR ENGAGE IN ANY TRANSACTION WHICH IS NOT PROVIDED FOR IN AN ANNUAL OR LONG-TERM CAPITAL OR OPERATIONAL BUDGET APPROVED BY THE SOLE MEMBER OF THE MEDICAL CENTER WHERE THE AMOUNT INVOLVED EXCEEDS \$100,000.00;</p> <p>-ADOPT ANY NEW, OR ANY CHANGES TO THE EXISTING, LONG-TERM OR MASTER INSTITUTIONAL PLANS OF THE MEDICAL CENTER;</p> <p>-AUTHORIZE THE MEDICAL CENTER TO ENGAGE IN, OR ENTER INTO, ANY TRANSACTION PROVIDING FOR OR REQUIRING A CERTIFICATE OF NEED. HOWEVER, THE PRESIDENT/ CEO OF THE MEDICAL CENTER, OR THE EXECUTIVE COMMITTEE OF THE SOLE MEMBER, MAY SUBMIT A LETTER OF INTENT AND/OR AN APPLICATION FOR A CERTIFICATE OF NEED AT ANY TIME WITHOUT PRIOR AUTHORIZATION. THE BOARD OF DIRECTORS OF THE SOLE MEMBER SHALL SUBSEQUENTLY EITHER RATIFY THE ACTION OR VOTE TO WITHDRAW THE LETTER OF INTENT OR THE APPLICATION.</p> <p>-ADOPT A PLAN OF DISSOLUTION OF THE MEDICAL CENTER;</p> <p>-AUTHORIZE THE MEDICAL CENTER TO ENGAGE IN, OR ENTER INTO, ANY TRANSACTION PROVIDING FOR THE SALE, LEASE, MORTGAGE OR OTHER DISPOSITION OF THE ASSETS OF THE MEDICAL CENTER NOT CONTEMPLATED AS PART OF THE CAPITAL OR OPERATING BUDGET; HOWEVER, IT IS UNDERSTOOD THAT THIS DOES NOT PRECLUDE THE SALE OF FULLY DEPRECIATED ASSETS, ASSETS TO BE SCRAPPED AND TAKEN OUT OF SERVICE, OR ASSETS TO BE TRADED IN ON THE PURCHASE OF NEW ASSETS APPROVED AS PART OF THE BUDGETING PROCESS.</p> <p>-ADOPT A PLAN OF MERGER OR CONSOLIDATION OF THE MEDICAL CENTER WITH ANOTHER CORPORATION;</p> <p>-ORGANIZE OR ACQUIRE, OR AUTHORIZE THE ORGANIZATION OR ACQUISITION OF, ANY SUBSIDIARY OR AFFILIATE OF THE MEDICAL CENTER ("AFFILIATE" SHALL INCLUDE ANY CORPORATION, ASSOCIATION, PARTNERSHIP, TRUST, JOINT VENTURE OR OTHER ENTITY DIRECTLY OR INDIRECTLY CONTROLLING, CONTROLLED BY, OR UNDER COMMON CONTROL WITH THE MEDICAL CENTER).</p>
FORM 990, PART VI, LINE 11B - REVIEW OF FORM 990 BY GOVERNING BODY	THE FORM 990 IS REVIEWED IN DETAIL BY INTERNAL MANAGEMENT TO ENSURE THE ACCURACY AND COMPLETENESS OF THE RETURN PRIOR TO FILING WITH THE IRS. THE FORM 990 IS MADE AVAILABLE TO ALL MEMBERS OF THE BOARD OF DIRECTORS SUBSEQUENT TO THE FILING OF THE FORM.
FORM 990, PART VI, LINE 12C - CONFLICT OF INTEREST POLICY	THE CORPORATE COMPLIANCE OFFICER SURVEYS EACH DIRECTOR, OFFICER AND KEY EMPLOYEE OF MARTIN MEMORIAL MEDICAL CENTER AND RELATED AFFILIATED COMPANIES. THESE ANNUAL SURVEYS ARE DESIGNED TO DETERMINE IF ANY POTENTIAL CONFLICTS OF INTEREST EXIST. THE CORPORATE COMPLIANCE OFFICER EDUCATES BOARD MEMBERS, OFFICERS AND KEY EMPLOYEES OF THEIR RESPONSIBILITY TO REPORT ANY POSSIBLE CONFLICTS OF INTEREST THAT MAY ARISE BETWEEN ANNUAL SURVEYS. THE CORPORATE COMPLIANCE OFFICER ALSO MONITORS AND INVESTIGATES ANY POSSIBLE CONFLICTS THAT MAY ARISE. IF A POTENTIAL OR ACTUAL CONFLICT OF INTEREST EXISTS, THE INDIVIDUAL WITH THE CONFLICT WILL ABSTAIN FROM VOTING ON ANY ISSUES OR PARTICIPATING IN DISCUSSIONS THAT ARE RELATED TO THE CONFLICT OF INTEREST.

Return Reference - Identifier	Explanation														
FORM 990, PART VI, LINE 15A - PROCESS TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	<p>EXECUTIVE COMPENSATION AT MARTIN MEMORIAL HEALTH SYSTEM ("MMHS") IS GOVERNED AND CONTROLLED BY THE COMPENSATION & RETIREMENT COMMITTEE OF THE BOARD OF DIRECTORS ACCORDING TO POLICIES SET BY THE BOARD AS A WHOLE. THE COMMITTEE IS MADE UP ENTIRELY OF COMMUNITY LEADERS, NONE OF WHOM ARE EMPLOYED BY MARTIN MEMORIAL MEDICAL CENTER ("MMMC"). THE COMMITTEE DETERMINES PAY LEVELS AT MMHS IN COMPARISON WITH OTHER NOT-FOR-PROFIT HOSPITALS AND HEALTH SYSTEMS LIKE MMHS IN SIZE AND COMPLEXITY AND WHICH SERVE SIMILAR TYPES OF COMMUNITIES. IT LOOKS AT NATIONAL DATA BUT ALSO TAKES INTO CONSIDERATION DATA FROM SIMILAR HEALTH SYSTEMS IN THE SOUTHEAST REGION OF THE COUNTRY. THE COMMITTEE REVIEWS COMPARABILITY DATA ON SALARY LEVELS, INCENTIVE PAY, AND BENEFIT COSTS, ASSESSING EACH ELEMENT OF COMPENSATION INDEPENDENTLY AND TOTAL COMPENSATION IN AGGREGATE. THE COMMITTEE RETAINS INDEPENDENT CONSULTANTS TO GATHER COMPARABILITY DATA ON EXECUTIVE COMPENSATION IN THE MMHS' PEER GROUP. THESE CONSULTANTS REGULARLY ASSIST THE COMMITTEE IN MAKING ITS DETERMINATION THAT EXECUTIVE COMPENSATION AT MMHS REMAINS REASONABLE AND CONSISTENT WITH THE BOARD-APPROVED MMHS EXECUTIVE COMPENSATION PHILOSOPHY. THE COMMITTEE APPROVES COMPENSATION FOR ALL LISTED EXECUTIVES EVERY YEAR.</p> <p>THE COMMITTEE DILIGENTLY FOLLOWS BEST PRACTICES IN GOVERNING EXECUTIVE COMPENSATION, INCLUDING THE PROCESS PRESCRIBED BY THE IRS FOR GOVERNING EXECUTIVE COMPENSATION IN THE TAX-EXEMPT SECTOR. IT IS COMMITTED TO ACCURATELY DISCLOSING EXECUTIVE COMPENSATION ON FORM 990.</p>														
FORM 990, PART VI, LINE 15B - PROCESS TO ESTABLISH COMPENSATION OF OTHER EMPLOYEES	COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES FOLLOWS THE SAME PROCESS AS DESCRIBED IN PART VI, LINE 15A.														
FORM 990, PART VI, LINE 19 - REQUIRED DOCUMENTS AVAILABLE TO THE PUBLIC	MARTIN MEMORIAL MEDICAL CENTER DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC.														
FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS OR FUND BALANCES	<table> <tr> <th>(a) Description</th><th>(b) Amount</th></tr> <tr> <td>TRANSFER TO AFFILIATE</td><td>- 21,962,986</td></tr> <tr> <td>CHANGE IN NET ASSETS HELD AT MARTIN FOUNDATION</td><td>9,446,410</td></tr> <tr> <td>MIN PENSION LIABILITY ADJUSTMENT</td><td>6,895,915</td></tr> <tr> <td>UNREALIZED LOSS ON SWAP AGREEMENT</td><td>1,014,958</td></tr> <tr> <td>RETIREE HEALTH LIABILITY ADJUSTMENT</td><td>474,407</td></tr> <tr> <td>NET ASSETS TEMPORARILY RELEASED</td><td>- 4,471,628</td></tr> </table>	(a) Description	(b) Amount	TRANSFER TO AFFILIATE	- 21,962,986	CHANGE IN NET ASSETS HELD AT MARTIN FOUNDATION	9,446,410	MIN PENSION LIABILITY ADJUSTMENT	6,895,915	UNREALIZED LOSS ON SWAP AGREEMENT	1,014,958	RETIREE HEALTH LIABILITY ADJUSTMENT	474,407	NET ASSETS TEMPORARILY RELEASED	- 4,471,628
(a) Description	(b) Amount														
TRANSFER TO AFFILIATE	- 21,962,986														
CHANGE IN NET ASSETS HELD AT MARTIN FOUNDATION	9,446,410														
MIN PENSION LIABILITY ADJUSTMENT	6,895,915														
UNREALIZED LOSS ON SWAP AGREEMENT	1,014,958														
RETIREE HEALTH LIABILITY ADJUSTMENT	474,407														
NET ASSETS TEMPORARILY RELEASED	- 4,471,628														

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

MARTIN MEMORIAL MEDICAL CENTER, INC.

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.

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

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

59-0637874

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MARTIN MEMORIAL HEALTH SYSTEMS (59-2307522) PO BOX 9033, STUART, FL 34995	SUPPORTS MARTIN MEMORIAL MEDICAL CENTER AND COASTAL CARE CORPORATION	FL	501(C)(3)	12 TYPE II	N/A		✓
(2) MARTIN MEMORIAL FOUNDATION (59-2343938) PO BOX 9033, STUART, FL 34995-9033	FUNDRAISING	FL	501(C)(3)	7	MMHS		✓
(3) COASTAL CARE CORPORATION (59-2333374) PO BOX 9033, STUART, FL 34995-9033	HEALTHCARE	FL	501(C)(3)	3	MMHS		✓
(4) MARTIN MEMORIAL HOSPITAL AUXILIARY (23-7115443) PO BOX 9033, STUART, FL 34995-9033	PROMOTE PURPOSES & ACTIVITIES OF MARTIN MEMORIAL HEALTH SYSTEMS & AFFILIATES	FL	501(C)(3)	10	MMHS		✓
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50135Y

Schedule R (Form 990) 2017

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512—514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) (SEE STATEMENT)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) (SEE STATEMENT)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

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

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
MEDICAL CENTER AT ST. LUCIE WEST, LTD	J	1,490,086	FMV
(1) MEDICAL CENTER AT HOBE SOUND, LTD	J	203,000	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Schedule R (Form 990) 2017

Part III**Identification of Related Organizations Taxable as a Partnership** (continued)

(a) Name, address and EIN of related organization	(b) Primary Activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512-514	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) MEDICAL CENTER AT ST. LUCIE WEST, LTD (65-0504863) PO BOX 9033, STUART, FL 34995	MEDICAL OFFICES	FL	MMMC	RELATED	615,737	7,415,030		✓	0		✓	99.00
(2) MEDICAL CENTER AT HOBE SOUND, LTD (65-0748232) PO BOX 9033, STUART, FL 34995	MEDICAL OFFICES	FL	MMMC	RELATED	76,595	1,784,265		✓	0		✓	99.00
(3) TREASURE COAST INTEGRATED HEALTHCARE, LLC (82-0708813) PO BOX 9010, STUART, FL 34995	CLINICALLY INTEGRATED NETWORK	FL	MMMC	RELATED	0	237,140		✓	0	✓		51.00
(4) MARTIN SURGICAL VENTURES LLC (32-0496475) 9131 ANSON WAY, SUITE 304, RALEIGH, NC 27615	SURGICAL VENTURES	NC	MMMC	RELATED	(494,916)	354,377		✓	0		✓	62.00
(5) TRADITION SURGERY CENTER, LLC. (36-4837780) 9131 ANSON WAY, SUITE 304, RALEIGH, NC 27615	SURGICAL VENTURES	NC	N/A	N/A	N/A	N/A			N/A			N/A
(6) STUART SURGERY CENTER (82-2542219) 2096 SE OCEAN BLVD, STUART, FL 34996	SURGICAL VENTURES	FL	N/A	N/A	N/A	N/A			N/A			N/A

Part IV**Identification of Related Organizations Taxable as a Corporation or Trust** (continued)

(a) Name, address and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C-corp, S-corp or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) MARTIN MEMORIAL PHYSICIAN CORPORATION (65-0556041) PO BOX 9010, STUART, FL 34995	PHYSICIAN OFFICES	FL	N/A	C CORPORATION	N/A	N/A	N/A		✓
(2) MEDICAL & FINANCIAL MANAGEMENT (59-2320501) PO BOX 9033, STUART, FL 34995-9033	BILLING AND COLLECTIONS	FL	N/A	C CORPORATION	N/A	N/A	N/A		✓
(3) CSC CONDOMINIUM ASSOCIATION (59-2843163) PO BOX 9033, STUART, FL 34995	CONDOMINIUM ASSOCIATION	FL	MMMC	C CORPORATION	129,216	365,654	64.42	✓	



MARTIN HEALTH SYSTEM

Implementation Strategy

Martin Medical Center
Tradition Medical Center
Martin Hospital South

Adopted on:
January 16, 2017

 **CARNAHAN
GROUP**

Strategic Healthcare Advisors

Phone: 813.289.2588
info@carnahangroup.com
5005 West Laurel Street
Suite 204
Tampa, FL 33607
www.carnahangroup.com

2017 Return Martin Memorial Medical Center, Inc.
59-0637874

We would like to thank all of the community partnering organizations that contributed to our Community Health Needs Assessment. We would also like to thank the Health and Healing, Comprehensive Health Management, Emergency Department, and Cancer service lines. Lastly, we are thankful to our pediatric and primary care physicians, specialists, nurses, executives, and volunteers that contributed their community-based health knowledge to this assessment.

Comments about this report can be sent to:
Rachel Terlizzi, Community Benefit Coordinator
P.O. Box 9010
Stuart, FL 34995
Rachel.Terlizzi@martinhealth.org



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Martin Health System – Implementation Strategy

Community Health Need	Target Population	Action Plan	Goals	Existing Partners	Potential Partners	Action Plan Rationale	Evaluation Strategy
Diabetes	St. Lucie County residents	Expand the Community Health Fair to reach a broader amount of community members	Host an additional Community Health Fair in St. Lucie County by 2018	Volunteers in Medicine, Gertrude Walden Child Care Center, LINKS, Florida Department of Health	St. Lucie County Health Department, Hands Clinic, Treasure Coast Food Bank, FLHC	MHS has offered free adult health screenings in the community through their Community Health Fair and has seen a large increase in participation throughout the years. During the first event, 40 people attended compared to an attendance of 300 people at the most recent event. These free screenings not only inform community members of their health status but also reach a large amount of the community because they are free.	Document the expansion by recording where the secondary Community Health Fair will take place and how many attendees join.
Diabetes	Martin and St. Lucie County residents	Focus on preventative measures by promoting the Diabetes Prevention Program throughout the community.	Increase participation in the Diabetes Prevention Program by 10%		The Health Department, Florida Community Health Centers, Interagency Coalition, local churches	MHS' Diabetes Prevention Program is focused on educating those community members who are at a risk for type 2 diabetes. This education program is taught by a registered dietician and places an emphasis on healthylifestyle choices. Promoting the program throughout the community and increasing participation will give those who are at a risk for diabetes the education and support necessary to live a healthy life.	Track the number of participants
Diabetes	Martin and St. Lucie County residents	Promote the Inpatient Diabetes Support Services Programs and the referral system	Increase the number of inpatients who register for the Inpatient Diabetes Support Services program by 10%			MHS' Inpatient Diabetes Support Services program includes diabetes education through a one-on-one consultation with a registered nurse as well as a registered dietician, and group education classes for newly diagnosed diabetics. By increasing the number of newly diagnosed diabetics who access the program, MHS is reaching more diabetics and educating them about nutrition, self-care skills, and weight-loss.	Document the number of Inpatient referrals to the program each year
Diabetes	Martin and St. Lucie County residents	Develop a support group for the parents of children diagnosed with type one diabetes in the community.	Create a plan for a new support group for the parents of children diagnosed with type one diabetes by 2018		The Health Department, Florida Community Health Centers, Pediatricians, Childrens Services Council, Helping People Succeed, Tykes and Teens, Interagency Coalitions, local churches	Given the influx of diagnosed type one diabetes in Martin County, the creation of a support group for the parents of children diagnosed with type one diabetes will give a much needed outlet to parents who are seeking support and resources.	Document the creation of a support group and track the number of participants.



Martin Health System – Implementation Strategy

Community Health Need	Target Population	Action Plan	Goals	Existing Partners	Potential Partners	Action Plan Rationale	Evaluation Strategy
Diabetes	St. Lucie County residents	Start offering Support Groups in St. Lucie County for those with diabetes.	Offer Diabetes Support Groups in St. Lucie County once a month by August 2017		Various Medical Professionals	MHS offers support groups for residents with diabetes in Martin County. These groups are free of charge and meet monthly at the hospital. Members of the support group have access to tools that allow them to better understand and manage their disease. Bringing these support groups to St. Lucie County will increase the number of community members reached and become a resource for more individuals.	Track the number and location of support groups offered
Cancer	Martin and St. Lucie County residents	Continue to partner with Tobacco Free Florida to provide free smoking cessation classes to those who have been referred by Best Practice Advisory.	Increase the number of participants by 10%	Tobacco Free Florida & Everglades Area Health Education Centers		In 2013, MHS designated all of their hospitals and sites as smoke-free facilities. Beyond this, MHS has partnered with Everglades Area Health Education Centers and Tobacco Free Florida to provide free educational classes on smoking cessation. Increasing the number of these classes as well providing them in a variety of locations will increase the number of individuals who will receive education on smoking cessation and its benefits.	Track the number of participants who attend the classes.
Cancer	Martin and St. Lucie County residents	Measure the number of consults that the cancer navigators are having with patients	Increase the number of consults that are taking place between cancer patients and navigators by 10%			With the increase in the number of cancer navigators at MHS, the navigators have the capacity to see more cancer patients at the Cancer Center. The cancer navigators are focused on providing support services and giving information on resources to cancer patients. By increasing the number of consults, the cancer navigators are able to reach more patients who will benefit from the services provided through the program.	Document the number of consults each year.
Cancer	Martin and St. Lucie County women	Create an educational event where Martin and St. Lucie County women have access to physicians, navigators, and the support service team.	Host an educational event specifically about breast cancer in St. Lucie County by 2018 and in Martin County by 2019.		Specialized women's health physicians, Hands Clinic, FL Department of Health, local churchs	The breast cancer incidence rate in Martin County is significantly higher than the state rate, and the breast cancer mortality rate is higher in St. Lucie County when compared to the state. By hosting an educational event, MHS is giving access to women who have questions concerning breast cancer. This event will have information on resources as well as screening opportunities available in the community.	Document the events and their dates as well as the number of participants.
Cancer	St. Lucie County residents	Add an annual lung cancer screening event in St. Lucie County.	Expand screening services to include lung cancer screening event in St. Lucie County.		AHEC, Tobacco Free Florida, FL Health Department, Hands Clinic, local churchs	Lung cancer incidence and mortality rates in St. Lucie County are higher than the rates statewide and beyond this, the rates of smoking are also higher in St. Lucie County. By implementing a screening opportunity in St. Lucie County, cases of lung cancer can be caught early enough to be treated. This screening even will be an opportunity to inform smokers of the resources available to them in the community.	Document the creation of a lung cancer screening event in St. Lucie County and track the number of participants.



Martin Health System – Implementation Strategy

Community Health Need	Target Population	Action Plan	Goals	Existing Partners	Potential Partners	Action Plan Rationale	Evaluation Strategy
Obesity	Martin and St. Lucie County children	Partner with Ground Floor Farm to provide a six-week Healthy Cooking Program for children hosted by registered dietitians.	Offer this six-week program several times during the year and include children from both Martin and St. Lucie County.	Ground Floor Farms		The Sprouting Chefs Healthy Cooking Program will provide cooking lessons for children aged 8-12. The classes will focus on kitchen safety, cooking skills, healthy recipes, and tastings. By offering this program throughout the year, MHS will reach more children and promote healthier habits throughout the community.	Track the number of times throughout the year that the program is offered, as well as the number of children that attend.
Obesity	Martin and St. Lucie County Residents	Inform the community about the resource " Let's Go 5-2-1-0" program and promote this throughout the community.	Begin conversations with physicians and health professionals about disseminating information to their patients about Let's Go 5-2-1-0	Martin County Advisory Committee, Healthy St. Lucie	Local medical professionals, case managers, and workplace wellness participants	The Let's Go 5-2-1-0 program is promoting best practice and evidence based strategies for resources for nutrition & health, increasing healthful eating , and increasing physical activity. By promoting this program to local physicians and health professionals, MHS is showing it's support for the program's initiatives and equipping health professionals with information to pass along to their patients.	Track the number of physicians and health professionals who are newly equipt with information concerning Let's Go 5-2-1-0
Obesity	Martin and St. Lucie County workforce	Enhance the Corporate Wellness Program by increase the number of businesses engaging in the program.	Increase participation by 10% in the Corporate Wellness Program	Martin County School Board employees, St. Lucie School System employees, Optima Healthcare.		MHS' Corporate Wellness Program encourages employees to increase physical activity, improve nutritional habits, and focus on stress reduction. Previous clients of the program include Martin County School Board employees, St. Lucie School System employees, Optima Healthcare and others. The eight-week Fit 2 Lose Program that employees complete while in the Corporate Wellness Program has proven results and increasing the number of those engaged in the program will promote healthy habits and exercise throughout the community.	Track the amount of weight lost from all participants during the eight-week program.
Access	Martin and St. Lucie Hispanic Population	Create a partnership with a hispanic focused community organization to better reach the hispanic communities	Begin conversations with hispanic focused organizations about creating a partnership by 2018		Hispanics in Action	MHS serves a large Hispanic population and in an effort to better reach this population, MHS plans on partnering with an organization that is focused on the Hispanic population's needs. By creating a partnership, MHS will be better equipt to create informational resources and events that are catered to the Hispanic individuals seeking the information.	Document the partnership and any campaigns created during the partnership.
Access	Martin and St. Lucie County residents	Ensure that information about 211 is being disseminated by physicians and case managers to patients	Create a plan to disseminate information on 211 through different social media, and print avenues	Martin County Advisory Committee	Local medical professionals, internal and external stakeholders	The 211 Helpline is a robust resource that connects individuals with specific organizations who can meet a variety of health related needs. By ensuring that physicians and case managers are promoting this program and it's benefits to all of their clients will connect Martin and St. Lucie county residents with the resources they need.	Document the plan and the social media platforms and print avenues used to disseminate information



Martin Health System – Implementation Strategy

Community Health Need	Target Population	Action Plan	Goals	Existing Partners	Potential Partners	Action Plan Rationale	Evaluation Strategy
Access	Martin and St. Lucie County residents	Create a "Prescription for Healthy Foods" program at MHS that provides access to healthy foods to those with food insecurity issues	Create a plan to begin giving patients referrals to the appropriate Food Bank		Treasure Coast Food Bank, House of Hope	Given that individuals who have issues with food insecurity also have a higher level of health complications, developing a plan to direct these patients to healthy foods is paramount. MHS will create a plan that outlines a referral system for individuals with food insecurity issues to obtain healthy foods at the local food bank. Physicians and Case Managers will "prescribe" these patients an order of healthy foods to be picked up at the food bank.	Document the stages of the "Prescription for Healthy Foods" plan and it's success
Access	Martin and St. Lucie County community members 60 and over	Increase the proportion of community members sixty and over who have received Medicare insurance education	Sponsor Medicare insurance education programming throughout the community		Florida SHINE, The Kane Center – Council on Aging	Focus group participants expressed that many community members eligible for Medicare are often confused by the various options and which may be best for them. While there are written resources available, participants felt strongly that having educational outreach would be beneficial. Florida SHINE offers educational outreach throughout the community.	Document the number of individuals who receive Medicare insurance education
Access	Martin and St. Lucie County residents	Expand the Community Health Fair to reach a broader amount of community members	Host an additional Community Health Fair in St. Lucie County by 2018		Florida Community Health Centers, Hands Clinic, local churchs, Treasure Coast Food Bank, FL Health Department	MHS has offered free adult health screenings in the community through their Community Health Fair and has seen a large increase in participation throughout the years. During the first event, 40 people attended compared to an attendance of 300 people at the most recent event. These free screenings include free adult health screenings, free flu shots, free HIV and STD screenings, and free giveaways that include food and clothing.	Document the expansion by recording where the secondary Community Health Fair will take place and how many attendees join.
Access	Martin County elementary, middle and high school aged students.	Partner with the American Heart Association to train elementary, middle, and high school aged students how to perform CPR.	Offer this program throughout schools in Martin County	American Heart Association		MHS has partnered with the American Heart Association to education students on how to perform CPR. These free training classes provide access to education on life saving actions that students can take. Increasing the number of these training classes offered throughout the community will provide more access to this education.	Keep track of the number of classes offered and the number of students attending.



Martin Health System – Implementation Strategy

Community Health Need	Target Population	Action Plan	Goals	Existing Partners	Potential Partners	Action Plan Rationale	Evaluation Strategy
Mental Health	Martin and St. Lucie County residents	Continue to partner with community organizations such as Suncoast Mental Health to conduct symposiums on mental health topics	Increase the number of individuals who attend the mental health symposiums			MHS partnered with Suncoast Mental Health to educate the community on mental health topics through a symposium. Continuing to offer these free symposia will bring awareness to the topics surrounding mental health and educate members of the community on resources available.	Document the number of individuals who attend the events.
Substance Abuse	Martin and St. Lucie County residents	Identify potential partnership with a community organization to raise awareness about the effects of substance abuse and enhance education	Begin conversations with a community partner by 2018 to create a plan for raising awareness			MHS will raise awareness on the topic of substance abuse by partnering with an appropriate organization in the community with a similar mission. This partnership will result in the creation of informational material that will be disseminated by the means of social media and other avenues. The partnership will also create a resource library where those needing resources can access information on who to contact for this.	Keep track of the materials created and how they are displayed to the community.
Substance Abuse	Martin and St. Lucie County residents	Start a discussion on the creation of a referral system for individuals seeking care who have substance abuse issues	Implement a referral system for substance abuse patients by 2019			MHS does not currently have the capacity to effectively treat substance abuse patients. Starting a dialogue regarding how to effectively refer these high-risk patients will allow MHS to have a suitable plan for these patients.	Document the referral system plan and it's success.



Company Overview

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Branch Offices

Nashville, TN

Thank you for the opportunity to serve Martin Health System.
We are committed to being your innovative strategic partner.





**MARTIN MEMORIAL MEDICAL CENTER, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017

MARTIN MEMORIAL MEDICAL CENTER, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Martin Memorial Medical Center, Inc.
Stuart, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Martin Memorial Medical Center, Inc. and Subsidiaries (the "Medical Center"), which comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Martin Memorial Medical Center, Inc. and Subsidiaries as of September 30, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2018 consolidating balance sheet and 2018 consolidating statement of operations and changes in net assets are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is 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 consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.


Crowe LLP

Ft. Lauderdale, Florida
December 26, 2018

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,064	\$ 6,165
Investments	180,173	184,410
Patient accounts receivable, net of allowance for estimated uncollectible accounts of \$15,127 in 2018 and \$13,243 in 2017	53,954	52,864
Inventories and prepaid expenses	15,769	13,204
Due from affiliates	1,510	795
Assets limited as to use under bond indenture agreements, held by trustee	1,540	20,308
Other current assets	<u>780</u>	<u>1,917</u>
Total current assets	274,790	279,663
 Assets limited as to use under bond indenture agreements, held by trustee	 12,708	 12,126
Interest in net assets of affiliate	28,913	23,938
Property and equipment, net	379,184	368,685
Other assets	<u>1,163</u>	<u>1,360</u>
 Total assets	 <u>\$ 696,758</u>	 <u>\$ 685,772</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 14,435	\$ 17,070
Accrued expenses and other payables	42,766	46,435
Due to affiliates	4,511	558
Current portion of long-term debt	7,871	5,878
Estimated third-party settlements	<u>1,368</u>	<u>788</u>
Total current liabilities	70,951	70,729
Long-term liabilities:		
Long-term debt, less current portion	295,846	294,548
Interest rate swaps	1,532	2,547
Pension	33,894	42,176
Other long-term liabilities	<u>16,576</u>	<u>13,462</u>
Total long-term liabilities	<u>347,848</u>	<u>352,733</u>
Total liabilities	418,799	423,462
Commitments and contingencies		
Net assets:		
Unrestricted	248,873	238,212
Noncontrolling interests	<u>82</u>	<u>76</u>
Total unrestricted net assets	248,955	238,288
Temporarily restricted	<u>29,004</u>	<u>24,022</u>
Total net assets	<u>277,959</u>	<u>262,310</u>
Total liabilities and net assets	<u>\$ 696,758</u>	<u>\$ 685,772</u>

See accompanying notes to consolidated financial statements.

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years ended September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets:		
Unrestricted revenue:		
Patient service revenue, net of contractual allowances and discounts, before provision for uncollectible accounts	\$ 510,702	\$ 494,507
Provision for uncollectible accounts	<u>(29,081)</u>	<u>(31,828)</u>
Net patient service revenue, less provision for uncollectible accounts	481,621	462,679
Investment income	14,785	17,165
Other operating revenue	9,423	9,557
Net assets released from restrictions, used for operations	<u>1,076</u>	<u>1,276</u>
Total unrestricted revenue	506,905	490,677
Expenses:		
Salaries and wages	201,682	197,560
Employee benefits	53,239	52,770
Professional fees	8,464	7,543
Supplies	94,228	90,820
Other	39,240	40,348
Maintenance	16,022	14,702
Insurance	14,329	12,591
Interest	13,354	8,681
Change in fair value of interest rate swaps	(1,014)	(1,090)
Depreciation and amortization	39,601	35,172
State indigent care assessment	<u>5,494</u>	<u>5,610</u>
Total expenses	<u>484,639</u>	<u>464,707</u>
Operating income	22,266	25,970
Nonoperating losses, net	<u>(387)</u>	<u>(91)</u>
Excess of revenue over expenses	<u>\$ 21,879</u>	<u>\$ 25,879</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years ended September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
Other changes in unrestricted net assets:		
Excess of revenue over expenses	\$ 21,879	\$ 25,879
Changes in liabilities of post-retirement benefits	7,370	8,212
Transfers to affiliates, net	(21,946)	(20,287)
Net assets released from restrictions, used for purchase of property and equipment	3,395	2,712
Other	<u>(31)</u>	<u>(29)</u>
Increase in unrestricted net assets	10,667	16,487
Changes in temporarily restricted net assets:		
Change in interest in net assets of affiliate	9,446	13,728
Net assets released from restrictions, used for operations	(1,076)	(1,276)
Net assets released from restrictions, used for purchase of property and equipment	(3,395)	(2,712)
Other	<u>7</u>	<u>8</u>
Increase in temporarily restricted net assets	<u>4,982</u>	<u>9,748</u>
Increase in net assets	15,649	26,235
Net assets at beginning of year	<u>262,310</u>	<u>236,075</u>
Net assets of end of year	<u><u>\$ 277,959</u></u>	<u><u>\$ 262,310</u></u>

See accompanying notes to consolidated financial statements.

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Increase in net assets	\$ 15,649	\$ 26,235
Adjustments to reconcile increase in net assets to net cash from by operating activities:		
Depreciation and amortization	39,601	35,172
Changes in liabilities of post-retirement benefits	(7,370)	(8,212)
Gain on disposal of equipment	(314)	(156)
Amortization of debt issuance cost and bond discounts	(279)	(174)
Provision for uncollectible accounts	29,081	31,828
Unrealized gain on trading investments	(11,297)	(13,617)
Changes in interest in net assets of affiliate	(9,445)	(13,728)
Decrease in value of interest rate swaps	(1,015)	(1,090)
Changes in operating assets and liabilities:		
Patient accounts receivable	(30,171)	(34,629)
Inventories and prepaid expenses	(2,565)	1,021
Other current assets	(249)	2,249
Other assets	196	1,839
Accounts payable	(2,635)	(5,138)
Accrued expenses and other payables	(3,669)	(1,391)
Due from/to affiliates, net	3,238	(250)
Estimated third-party settlements	580	173
Other long-term liabilities	<u>3,580</u>	<u>(1,296)</u>
Net cash from operating activities	22,916	18,836
Cash flows from investing activities:		
Purchases of investments	(21,568)	(17,644)
Sales of investments	37,102	19,205
Proceeds from sale of property and equipment	358	531
Additions to property and equipment	(50,135)	(97,832)
Decrease in assets limited as to use under bond indenture agreements, held by trustee	<u>18,186</u>	<u>57,332</u>
Net cash from investing activities	(16,057)	(38,408)

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2018 and 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
Cash flows from financing activities:		
Principal payments on long-term debt	\$ (5,877)	\$ (4,701)
Issuance of new debt	9,447	-
Proceeds from affiliate	<u>4,470</u>	<u>3,987</u>
Net cash from financing activities	<u>8,040</u>	<u>(714)</u>
 Increase (decrease) in cash and cash equivalents	 14,899	 (20,286)
Cash and cash equivalents at beginning of year	<u>6,165</u>	<u>26,451</u>
 Cash and cash equivalents at end of year	 <u>\$ 21,064</u>	 <u>\$ 6,165</u>
 Supplemental information		
Interest paid, net of capitalized interest	<u>\$ 13,364</u>	<u>\$ 8,878</u>
Non-cash capital expenditures included in accounts payable and accrued expenses and other payables	<u>\$ 1,152</u>	<u>\$ 4,317</u>

See accompanying notes to consolidated financial statements.

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 1 - ORGANIZATION AND MISSION

Organization: Martin Memorial Medical Center, Inc. (the Medical Center) is a not-for-profit, tax-exempt organization that operates general acute care facilities in Stuart, Port Salerno, and Port St. Lucie, Florida, with a total of 521 beds and associated ancillary service departments. Martin Memorial Health Systems, Inc. (the System), a not-for-profit, tax-exempt organization, is the sole member of the Medical Center and controls four affiliated companies. In its capacity as sole member of the Medical Center, the System has the right to appoint Medical Center trustees, approve major Medical Center expenditures, and approve long-term Medical Center borrowings.

The Medical Center has a 99% partnership interest in the Medical Center at St. Lucie West, Ltd. (SLW) and the Medical Center at Hobe Sound, Ltd. (collectively referred to as the Partnerships). The Partnerships are Florida limited partnerships and operate real estate management companies.

As of November 14, 2011, the Medical Center began doing business as Martin Medical Center.

Mission: The System's primary mission is to provide quality health care services to the citizens of Martin, St. Lucie, and eastern Okeechobee counties through its acute and ambulatory care facilities. In addition to providing health care services, the following community services and programs are partially or fully subsidized by the System: community cancer services, social services, community education programs, chaplain services, a physician referral service, childbirth education classes, medical library resources, community wellness and health education programs, scholarships, various support groups, a speakers bureau, outreach medicenters, education programs for students, Volunteers in Medicine Clinic, and HANDS of St. Lucie County.

Operating and Nonoperating Activities: The Medical Center provides a broad range of primary care and specialized care services to citizens of the region. Activities directly associated with the furtherance of this purpose are considered operating activities.

Other activities that result in gains or losses unrelated to the Medical Center's primary mission are considered nonoperating. Nonoperating gains include gains and losses on investments in the Partnerships and gains and losses related to dispositions of nonoperating assets.

Charity Care: The Medical Center, in keeping with its mission, accepts all patients regardless of their ability to pay. The Medical Center provides care to 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 by reference to certain established policies that define charity care as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Medical Center utilizes the generally recognized federal and state poverty guidelines, but also includes certain cases where incurred charges are significant when compared to income. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not included in net patient service revenue. The cost of charity care, based on a cost to charge ratio, during the years ended September 30, 2018 and 2017, was approximately \$16,550 and \$16,133, respectively.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the account balances of the Medical Center and the Partnerships. All significant intercompany accounts and transactions have been eliminated.

The ownership interests in these Partnerships held by another entity is reflected in the consolidated balance sheets as noncontrolling interests. Amounts included in the consolidated statements of operations and changes in net assets and the statements of cash flows attributable to the noncontrolling interests are not material for the periods presented.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas subject to management estimates include estimated asset lives of property and equipment, pension assumptions, third-party payor settlements, liabilities for professional liability and workers' compensation claims, and allowances for patient receivables. Actual results could differ from those estimates.

Cash and Cash Equivalents: All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Cash deposits are federally insured in limited amounts.

Inventories: Inventories, consisting primarily of medical supplies and drugs, are stated at the lower of cost (first-in, first-out method) or market.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in income from operations unless the income or loss is restricted by donor or law.

Assets Limited as to Use: Assets limited as to use represent assets held by trustees under bond indenture agreements. These investments are stated at fair value. Assets limited as to use designated for expenditure in the acquisition or construction of noncurrent assets or segregated for the liquidation of long-term debts are excluded from current assets.

Costs of Borrowing: Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring the assets. Amortization of deferred financing costs is capitalized during the period of construction of capital assets.

Bond issuance costs incurred in connection with the issuance of long-term debt reduce the related debt and are being amortized using the effective-interest method over the life of the related bond issue. Amortization of debt issuance costs is included in interest expense in the consolidated statements of operations and changes in net assets.

Bond discounts reduce the related debt and are amortized using the straight-line method over the life of the related debt, which approximates the effective interest method. Bond premiums increase the related debt and are amortized using the straight-line method over the life of the related debt, which approximates the effective interest method.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Financial Instruments: As part of its debt management programs, the Medical Center has entered into interest rate swaps. The Medical Center recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value. The Medical Center uses pricing models for various types of derivative instruments that take into account the present value of estimated future cash flows.

The Medical Center does not account for any of its interest rate swap agreements as hedges, and accordingly, the gains and losses resulting from changes in the fair values are reflected in the consolidated statements of operations and changes in net assets as operating gains or losses. Included in other expenses in the consolidated statements of operations and changes in net assets are net settlement payments on interest rate swap agreements.

Property and Equipment: Property and equipment are recorded at historical cost. Depreciation is computed by the straight-line method over the expected useful lives of the assets, which range from three to 40 years. Major asset classifications and useful lives generally are in accordance with those recommended by the American Hospital Association.

The cost of computer software developed or obtained for internal use is accounted for in accordance with the provisions of ASC 350-40, *Internal-Use Software*. Such costs are included in property and equipment and amortized on a straight-line basis over the estimated useful lives of the assets.

Temporarily Restricted Net Assets: The Medical Center defines unrestricted net assets as those that are not limited by donor-imposed stipulations. Temporarily restricted net assets represent donor-restricted funds to be used for specific projects, and the restriction either expires by time or can be fulfilled.

Contributions: The Medical Center records contributions in accordance with the accounting rules established by the Financial Accounting Standards Board (FASB) relating to contributions received and made. The FASB, establishes accounting standards for contributions for donees (and donors) and generally requires unconditional promises to give cash and other assets (including multiyear promises) to be recognized at fair value as revenue and expenses in the period made. The Medical Center is required to distinguish among contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. The FASB also requires that unconditional promises to be collected or paid in more than one year be measured at the present value of estimated future cash flows.

The Medical Center accounts for contributions in accordance with accounting rules established by the FASB relating to transfers of assets to a not-for-profit entity or charitable trust that raises or holds contributions for others, which requires, if certain conditions exist, that a recipient organization that receives and holds funds on behalf of a specified beneficiary record those funds as contributions. The beneficiary organization is required to report an interest in the net assets of the recipient organization.

Noncash contributions are valued at fair value on the date of the gift. Contributions are reported as either temporarily or permanently restricted 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 reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements. Contributions restricted for capital purposes are recorded as additions to temporarily restricted net assets of the Medical Center.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2018 and 2017, Martin Memorial Foundation, Inc. (the Foundation) received contributions and pledges from donors that have specified that the Medical Center is to be the beneficiary of assets contributed for donor-specific purposes and the donors have not explicitly granted the Foundation the unilateral power to redirect the use of the assets away from the Medical Center. Based on the guidance provided by the FASB relating to transfers of assets to a not-for-profit entity or charitable trust that raises or holds contributions for others, the Medical Center has recorded the temporarily restricted net assets being held specifically for its benefit by the Foundation and has recorded a corresponding interest in net assets of the Foundation of \$28,913 and \$23,938, respectively, at September 30, 2018 and 2017.

Income Taxes: The Internal Revenue Service has determined that the Medical Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Income earned in furtherance of the Medical Center's tax-exempt purpose is exempt from federal and state income taxes. The Code provides for taxation of unrelated business income under certain circumstances. The Medical Center has no material unrelated business income; however, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authority. The Partnerships operate as limited partnerships and, accordingly, their taxable income or loss is included in the income tax returns of the partners. At September 30, 2018 and 2017, the Medical Center had deferred tax assets of \$1,200 and \$1,933, respectively, relating solely to available net operating loss carryforwards, which begin expiring in 2018. After consideration of all the evidence, both positive and negative, management determined that a \$1,200 and \$1,933 valuation allowance at September 30, 2018 and 2017, respectively was necessary to reduce the deferred tax assets to the amount that would more likely than not be realized. The change in the valuation allowance for the current year is \$733.

Under ASC, Subtopic 740, *Income Taxes*, the Medical Center must recognize the tax benefit from an uncertain tax position only if it is "more-likely-than-not" that the tax position will be sustained on examination by the applicable taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. ASC, Subtopic 740-10, also provides guidance of derecognition, classification, interest and penalties on income taxes and accounting in interim periods and requires increased disclosure.

There were no uncertain tax positions identified as of September 30, 2018 and 2017. The Medical Center does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months.

Tax returns filed by the Medical Center are subject to examination by the Internal Revenue Service (IRS) up to three years from the date the return was filed. The Medical Center recognizes interest and/or penalties related to income tax matters in income tax expense. The Medical Center did not have any amounts accrued for interest and penalties at September 30, 2018 and 2017. Tax returns filed by the Medical Center and its affiliated companies are no longer subject to examination for the years ended September 30, 2014 and prior.

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MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
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(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Excess of Revenue Over Expenses: The consolidated statements of operations and changes in net assets include excess of unrestricted revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions that, by donor restriction, were to be used for the purposes of acquiring such assets), and pension liability adjustments.

Net Patient Service Revenue: Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments to prior-year settlement estimates resulted in a decrease to revenues of approximately \$445 and an increase of approximately \$298 for the years ended September 30, 2018 and 2017, respectively.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Medical Center believes it is currently in compliance with all applicable laws and regulations and is not aware of any other pending or threatened investigations involving allegations of potential wrongdoing that would have a material adverse effect on the Medical Center's consolidated financial position or operations.

While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. The estimated Medicare and Medicaid settlements recorded at September 30, 2018 and 2017 could differ from actual settlements based upon the results of the cost report audits. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Medical Center.

Post-Retirement Benefits: Employees of the Medical Center who have 20 years of service and are at least age 55 or have 15 years of service and are at least 60 years of age are eligible to receive post-retirement benefits, such as health and dental insurance through age 65. There are 59 Medical Center employees and eligible spouses currently receiving post-retirement benefits. The Medical Center has accrued approximately \$3,273 and \$3,743 at September 30, 2018 and 2017, respectively, which is included in other long-term liabilities and accrued expenses in the accompanying consolidated balance sheets. The accrual is based on an actuarial valuation related to both those currently receiving benefits and those that are not yet receiving post-retirement benefits at September 30, 2018 and 2017, respectively.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective retrospectively for fiscal years beginning after December 15, 2017. The Medical Center continues to evaluate the effects the adoption of this standard will have on the consolidated financial statements and financial disclosures. The Medical Center believes the most significant impact will be the requirement to identify implicit price concessions, which under ASC 606 will be deemed a form of variable consideration, and ensure these are presented as direct deductions to patient service revenue in the consolidated statements of operations and change in net assets rather than included in the provision for bad debts, which is currently presented as a deduction to patient service revenues.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The updated guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the update is permitted. The Medical Center is evaluating the impact of the adoption of this update on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958). This ASU changes how a not-for-profit organization classifies its net assets, as well as the information it presents in the financial statements and notes about its liquidity, financial performance, and cash flows. The ASU requires amended presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include quantitative and qualitative requirements in the following areas: Net asset classes, investment returns, expenses, liquidity and availability of resources, and presentation of operating cash flows. The amendments are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application of the amendments is permitted. The Medical Center has not yet implemented this ASU and the eventual impact on the Medical Center's consolidated financial statements has not been determined.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - NET PATIENT SERVICE REVENUE

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. Medicare reimburses the Medical Center for outpatient services under the Ambulatory Payment Classification (APC) system. Under the APC system, outpatient services related to Medicare beneficiaries are paid at a prospectively determined rate. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

The Medical Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2015. In connection with this audit and approval process, the Medical Center may be required to revise its previous estimate of the contractual adjustment, liability, or receivable related to the Medicare Program. Differences between the Medical Center's original estimate and estimates based on subsequent determinations, resulting from the audit and approval process mentioned above, are recorded by the Medical Center in the period the determination is made. Services under the Medicare Program represent approximately 59% for both of the years ended September 30, 2018 and 2017, of the Medical Center's gross charges.

Medicaid: Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Medical Center is reimbursed at a tentative rate, with final settlement determined after submission of the annual cost report by the Medical Center and audits thereof by the Medicaid fiscal intermediary. The Medical Center's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2015. Approximately 9% of the Medical Center's gross charges are for services under the Medicaid Program for both of the years ended September 30, 2018 and 2017.

Other: The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and self-pay patients. The basis for payment to the Medical Center under these agreements includes discounts from established charges and percentages of Medicare fee schedules. For both of the years ended September 30, 2018 and 2017, approximately 32% of the Medical Center's gross charges are for services under other commercial insurance carriers, health maintenance organizations, and self-pay patients.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 3 - NET PATIENT SERVICE REVENUE (Continued)

Provisions for Estimated Uncollectible Accounts: Patient accounts receivable are reduced by an allowance for estimated uncollectible accounts. In evaluating the collectability of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for estimated uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for estimated uncollectible accounts. For receivables associated with services provided to patients who have third-party insurance coverage, the Medical Center analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments 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 (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for uncollectible accounts 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 Medical Center regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for uncollectible accounts. 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 estimated uncollectible accounts.

Patient service revenue, net of contractual allowances and discounts (but before provision for uncollectible accounts), recognized in the period from these major payor sources is as follows for the years ended September 30, 2018 and 2017:

September 30, 2018					
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Payers</u>	<u>Self Pay</u>	<u>Total</u>
Gross patient charges	\$ 1,739,460	\$ 257,835	\$ 770,789	\$ 174,554	\$ 2,942,638
Contractual allowances and discounts	<u>1,506,849</u>	<u>236,441</u>	<u>516,195</u>	<u>172,451</u>	<u>2,431,936</u>
Patient service revenue	<u>\$ 232,611</u>	<u>\$ 21,394</u>	<u>\$ 254,594</u>	<u>\$ 2,103</u>	<u>\$ 510,702</u>
September 30, 2017					
	<u>Medicare</u>	<u>Medicaid</u>	<u>Other Payers</u>	<u>Self Pay</u>	<u>Total</u>
Gross patient charges	\$ 1,678,012	\$ 264,749	\$ 750,816	\$ 157,567	\$ 2,851,144
Contractual allowances and discounts	<u>1,455,616</u>	<u>240,934</u>	<u>511,806</u>	<u>148,281</u>	<u>2,356,637</u>
Patient service revenue	<u>\$ 222,396</u>	<u>\$ 23,815</u>	<u>\$ 239,010</u>	<u>\$ 9,286</u>	<u>\$ 494,507</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 4 - INVESTMENTS AND ASSETS LIMITED AS TO USE

The composition of investments and assets limited as to use at September 30, 2018 and 2017 is set forth in the following table:

	<u>2018</u>	<u>2017</u>
Investments:		
Cash and short-term investments	\$ 2,210	\$ 2,397
Marketable equity securities	101,797	105,747
U.S. Treasury obligations	8,879	10,169
Commodities	2,765	2,679
Corporate and governmental agency bonds	<u>64,522</u>	<u>63,418</u>
	<u>\$ 180,173</u>	<u>\$ 184,410</u>
Assets limited as to use under bond indenture agreements, held by trustee:		
Cash and short-term investments	\$ 2,228	\$ 20,576
U.S. Treasury obligations	5,956	3,586
Corporate and governmental agency bonds	<u>6,064</u>	<u>8,272</u>
	<u>\$ 14,248</u>	<u>\$ 32,434</u>

Investment income and gains on assets limited as to use and investments for the years ended September 30, 2018 and 2017, comprise the following:

	<u>2018</u>	<u>2017</u>
Investment income:		
Interest income/dividends	\$ 3,479	\$ 3,548
Realized gains on the sale of securities	7,591	1,416
Net unrealized gains	<u>3,715</u>	<u>12,201</u>
	<u>\$ 14,785</u>	<u>\$ 17,165</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
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NOTE 5 - PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 26,370	\$ 26,335
Land improvements	22,437	20,988
Buildings	329,739	241,747
Fixed equipment	79,561	60,956
Movable equipment	<u>339,771</u>	<u>312,721</u>
	797,878	662,747
Construction in progress	<u>13,049</u>	<u>102,257</u>
	810,927	765,004
Less accumulated depreciation	<u>(431,743)</u>	<u>(396,319)</u>
	<u>\$ 379,184</u>	<u>\$ 368,685</u>

Construction-in-progress at September 30, 2017 consists primarily of expenditures incurred for the expansion at Tradition Medical Center. During 2018 and 2017, the Medical Center incurred interest expense of approximately \$5,014 and \$5,030, respectively, associated with borrowings used to finance the construction of Tradition Medical Center expansion, of which \$418 and \$5,030 was capitalized.

NOTE 6 - LONG-TERM DEBT

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

	<u>2018</u>	<u>2017</u>
Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2010, 3.04%	\$ 19,335	\$ 21,355
Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2012, 3.00%-5.53%	124,687	125,438
Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2012B, 2.10%-5.00%	24,124	25,468
Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2013, 67% of LIBOR +1.025	19,495	21,015
Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2015, 1.6%-4.38%	108,895	109,089
Note payable, interest of 3.80%, due in monthly installments of approximately \$33 through 2023, when the balance is due	1,718	2,044
Note payable, interest of LIBOR + 0.80, due in quarterly interest payments through 2023, when the balance is due	<u>9,573</u>	<u>-</u>
	307,827	304,409
Less current portion	(7,871)	(5,878)
Less unamortized debt issuance costs	<u>(4,110)</u>	<u>(3,983)</u>
	<u>\$ 295,846</u>	<u>\$ 294,548</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 - LONG-TERM DEBT (Continued)

2010 Health Facilities Authority Hospital Revenue Bonds

In December 2010, the Medical Center issued \$24,095 of Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2010 (Series 2010 Bonds). The proceeds from the Series 2010 Bonds, together with other available funds, were used to pay the costs of renovations and equipping of its health care facilities. The term of the Series 2010 Bonds is 15 years with principal and interest paid monthly, including a put option in 2020. The Series 2010 Bonds bear interest at a fixed rate of 3.04%.

2012 Health Facilities Authority Hospital Revenue Bonds

On February 9, 2012, the Medical Center issued \$126,905 of Martin County Health Facilities Authority Hospital Revenue Bonds, Series 2012 (Series 2012 Bonds). The proceeds from the Series 2012 Bonds were used for equipment and construction of the Tradition Hospital in St. Lucie County. The term of the Series 2012 Bonds is 30 years with yields ranging from 3.00% to 5.53%. Principal payments are due annually and interest is paid semi-annually.

2012B Health Facilities Authority Hospital Revenue Bonds

On November 15, 2012, the Medical Center issued \$29,780 of Martin County Health Facilities Authority Health Revenue Bonds, Series 2012B (Series 2012B Bonds). The proceeds from the Series 2012B bonds were used to refund the Series 1997B Bonds and Series 1998 Bonds. The term for the Series 2012B Bonds is 17 years with yields ranging from 2.10% to 5.00%. Principal payments are due annually and interest is paid semi-annually.

2013 Health Facilities Authority Hospital Revenue Bonds

On September 24, 2013, the Medical Center issued \$26,555 of Martin County Health Facilities Authority Health Revenue Bonds, Series 2013 (Series 2013 Bonds). The proceeds from the Series 2013 bonds were used to refund the Series 2007A Bonds and Series 2007B Bonds. The term for the Series 2013 Bonds is 19 years. The Series 2013 Bonds bear a variable interest rate. Principal payments are due annually and interest is paid monthly.

2015 Health Facilities Authority Hospital Revenue Bonds

On September 10, 2015, the Medical Center issued \$105,000, at a premium, of Martin County Health Facilities Authority Health Revenue Bonds, Series 2015 (Series 2015 Bonds). The proceeds from the Series 2015 Bonds will be used to fund the expansion of Tradition Medical Center. The term for the Series 2015 Bonds is 30 years with yields ranging from 1.6% to 4.38%.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
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NOTE 6 - LONG-TERM DEBT (Continued)

The bonds described above are collateralized by a security interest in the Medical Center's property and equipment, accounts receivable, and contract rights. Under the terms of the bond agreements, the bond proceeds were deposited with a trustee, and the Medical Center is required to make specified payments to the Martin County Health Facilities Authority for bond principal redemptions and interest.

On July 1, 2018 the Medical Center entered into a \$41,000 note with a financial institution (2018 Note), which had an outstanding balance of \$9,573 as of September 30, 2018. The proceeds are being used for the construction of an outpatient ambulatory center. The note is secured by the mortgaged property and also as described in the Master Trust Indenture. The construction project began in July 2018 and is expected to be completed in September 2019. The term of the loan is five years with interest paid quarterly. The note bears interest of LIBOR plus .80%.

A Master Trust Indenture was executed for the Series 1985 Bonds and was supplemented to include the Series 2007A, 2007B, 2010, 2012, 2012B, 2013, 2015 Bonds, and 2018 Note. The indenture restricts the use of proceeds of the bond issues and creates certain reserve funds. These reserve funds and any undisbursed proceeds are classified as assets limited as to use under bond indenture agreement in the accompanying consolidated financial statements. The indenture contains certain restrictions and covenants that require, among other things: (1) annual reporting, (2) restrictions on use of revenue, (3) restrictions on disposal of property and equipment, and (4) limitations on borrowing or leasing, and (5) financial ratio covenants.

On February 27, 2009, SLW entered into a \$4,000 note with a financial institution. The proceeds were used for the construction of the new emergency center in St. Lucie County. The note is guaranteed by the System and was used for the construction of the building, which had a carrying value of approximately \$1,955 and \$2,144 at September 30, 2018 and 2017, respectively. In 2013, the outstanding principal of \$3,323 was modified to reduce the interest rate and extend the term of the loan. The term of the loan is ten years with principal and interest paid monthly. The note bears interest at a fixed rate of 3.80%.

Aggregate annual maturities of long-term debt are approximately as follows (in thousands):

2019	7,871
2020	8,199
2021	8,538
2022	9,737
2023	19,796
Thereafter	<u>253,686</u>
	<u>\$ 307,827</u>

During 2018 and 2017, the Medical Center recognized interest expense of approximately \$13,354 and \$8,681, respectively.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 - LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements

The Medical Center uses interest rate swap agreements to manage its overall exposure to fluctuations in interest rates. These agreements subject the Medical Center to market risk associated with the changes in interest rates, as well as the risk that the counterparty will fail to perform with respect to the periodic settlement of amounts due under the agreements. The Medical Center recognizes the change in fair value of its interest rate swap agreements within excess of unrestricted revenue and nonoperating gains over expenses and nonoperating losses, as none of the interest rate swap agreements have been designated as hedges. During March 2007, the Medical Center entered into an interest rate swap agreement, which expires on November 15, 2032, to convert its variable rate debt into a fixed interest rate. The Medical Center has agreed to exchange the receipt of a variable interest rate payment for the payment of a fixed rate interest payment. The variable rate payment is based on a percentage of LIBOR, which is reset weekly.

During March 2007, the Medical Center entered into another interest rate swap agreement, which expires on November 15, 2032, to convert its variable rate debt into a fixed interest rate. The Medical Center has agreed to exchange the receipt of a variable interest rate payment for the payment of a fixed rate interest payment. The variable rate payment is based on a percentage of LIBOR, which is reset weekly.

The following table outlines the terms and fair values of the interest rate swap agreements that are included in long-term liabilities on the accompanying consolidated balance sheets. Fair values were computed using estimated future cash flows and also include credit risk and nonperformance risk.

	<u>2007A</u>	<u>2007B</u>
Notional amount at September 2018	\$ (11,675)	\$ (9,340)
Effective date	November 15, 2007	November 15, 2007
Termination date	November 15, 2032	November 15, 2024
Fair value at September 30, 2017	\$ (1,808)	\$ (738)
Unrealized gain	<u>667</u>	<u>347</u>
Fair value at September 30, 2018	<u>\$ (1,141)</u>	<u>\$ (391)</u>

NOTE 7 - RETIREMENT PLANS

The Medical Center has a noncontributory, defined benefit pension plan (the DB Plan), and effective October 1, 2005, a defined contribution plan (the DC Plan), covering substantially all of its employees. The choice to continue participating in the DB Plan was offered to long-tenured employees who met certain eligibility criteria. All other employees that did not meet the DB Plan specific eligibility criteria and new employees starting work on or after October 1, 2005, will participate in the DC Plan automatically. Employer contributions for the DC Plan for the years ended September 30, 2018 and 2017 were \$8,882 and \$7,957, respectively.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(In Thousands)

NOTE 7 - RETIREMENT PLANS (Continued)

The DB Plan benefits are based on years of service and the employee's average earnings received during the highest five calendar years of employment. An amendment to freeze accruals for all participants was enacted as of September 30, 2012, and became effective as of January 1, 2013. The Medical Center's funding policy is to contribute an amount not less than the minimum funding requirement of the Employee Retirement Income Security Act of 1974 (as amended).

Employer contributions and benefits paid for the years ended September 30, 2018 and 2017 were as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Employer contributions	\$ 3,666	\$ 4,186
Benefits paid	8,638	3,120

The following table sets forth the benefit obligations, the assets of the DB Plan at September 30, 2018 and 2017 (using measurement dates of September 30, 2018 and 2017, respectively), and components of net periodic benefit costs for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements.

	<u>2018</u>	<u>2017</u>
Accumulated benefit obligation at end of year	<u>\$ 132,803</u>	<u>\$ 140,846</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 140,846	\$ 147,039
Interest cost	5,377	5,362
Plan settlements	-	(9,688)
Actuarial loss	(4,782)	1,253
Benefits paid	<u>(8,638)</u>	<u>(3,120)</u>
Benefit obligation at end of year	<u>132,803</u>	<u>140,846</u>
Change in plan assets		
Fair value of plan assets at beginning of year	98,670	100,502
Actual return on plan assets	5,211	6,790
Employer contributions	3,666	4,186
Settlements	-	(9,688)
Benefits paid	<u>(8,638)</u>	<u>(3,120)</u>
Fair value of plan assets at end of year	<u>98,909</u>	<u>98,670</u>
Funded status	<u>\$ (33,894)</u>	<u>\$ (42,176)</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(In Thousands)

NOTE 7 - RETIREMENT PLANS (Continued)

The amounts recognized as a charge against unrestricted net assets are as follows:

	<u>2018</u>	<u>2017</u>
Unrecognized net loss	\$ <u>52,050</u>	\$ <u>58,946</u>

Changes in the charge (credit) to unrestricted net assets during the year ended September 30:

	<u>2018</u>	<u>2017</u>
Balance at end of prior year	\$ 58,946	\$ 68,512
Amortization of prior service cost	162	441
Amortization of net loss	(2,790)	(7,053)
Net loss for the period	<u>(4,268)</u>	<u>-</u>
Balance at end of year	<u>\$ 52,050</u>	<u>\$ 61,900</u>

The actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2019, is \$2,444. The unrecognized prior service cost related to the plan amendment expected to be recognized in net periodic pension cost during the year ending September 30, 2019 is \$162.

The underfunded status of the DB Plan of \$33,894 and \$42,176 at September 30, 2018 and 2017, respectively, is recognized in the accompanying consolidated balance sheets as long-term liabilities. No plan assets are expected to be returned to the Medical Center during the fiscal year ending September 30, 2019. Contributions of \$1,963 will be made by the Medical Center during the fiscal year ending September 30, 2019.

During 2017, certain participants elected to receive lump sum payments, which resulted in them being terminated from the Plan. These lump sum payments were recorded as settlements, which totaled \$9,688 during the year ended September 30, 2017.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 7 - RETIREMENT PLANS (Continued)

Estimated future benefit payments at September 30, 2018 are as follows:

2019	\$ 12,411
2020	9,913
2021	10,072
2022	10,789
2023	9,741
2024-2027	<u>44,251</u>
	<u>\$ 97,177</u>

Net pension cost includes the following components at September 30:

	<u>2018</u>	<u>2017</u>
Interest cost	\$ 5,377	\$ 5,363
Expected return on assets	(5,726)	(5,979)
Amortization of prior service cost	(162)	(162)
Amortization of accumulated loss	2,790	2,796
Settlement loss recognized	<u>-</u>	<u>4,258</u>
	<u>\$ 2,279</u>	<u>\$ 6,276</u>

Utilizing measurement dates of September 30, 2018 and 2017, the following assumptions were used to determine the benefit obligation and the net benefit cost:

	<u>Year ended September 30</u>	<u>2018</u>	<u>2017</u>
Used to determine fiscal year-end benefit obligation			
Weighted average discount rate	4.44%	3.97%	
Weighted-average rates of compensation increase	N/A	N/A	
Used to determine net benefit cost			
Weighted-average discount rate	4.00%	3.80%	
Weighted-average expected long-term rate of return on assets	6.00%	6.25%	
Weighted-average rate of compensation increase	N/A	N/A	

The weighted-average expected long-term rate of return on DB Plan assets is based upon historical financial market relationships that have existed over time, with the presumption that this trend will generally remain constant in the future.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 7 - RETIREMENT PLANS (Continued)

The Medical Center has examined historical benchmarks for returns in each asset in its portfolio and, based on the target asset mix, has developed a weighted-average expected return for the portfolio as a whole, taking into consideration forecasts of long-term expected inflation rates of 6.00% and 6.25% at September 30, 2018 and 2017, respectively.

Plan assets are administered by a trustee and invested principally in cash and cash equivalents, U.S. government securities, corporate bonds, debentures, and marketable equity securities. The primary investment objective of the DB Plan is a long-term rate of return on assets that is no less than the DB Plan's assumed actuarial rate of return. Management realizes that market performance varies and that this objective may not be meaningful during some periods. The policy is to invest in accordance with the following strategic guidelines:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
Equity and international securities	45%	33%	58%
Fixed income	50%	40%	60%
Commodities	5%	0%	7.5%
Short-term investments	0%	0%	10%

The minimum and maximum asset allocation ranges established by this investment policy represent a long-term perspective. Therefore, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. These divergences should be of a short-term nature. Management, with direction from its investment advisor, coordinates re-balancing of the portfolio.

The DB Plan principally invests in readily marketable investment-grade securities. The DB Plan does not invest in complex derivative structures and has established other limitations to diversify its portfolio and reduce exposure to any one issuer or industry.

The following table sets forth the percentage of the fair value for each major category of DB Plan assets to total DB Plan assets as of September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Equity and international securities	46%	45%
Fixed income	48%	49%
Commodities	2%	2%
Short-term investments	<u>4%</u>	<u>4%</u>
	<u>100%</u>	<u>100%</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 7 - RETIREMENT PLANS (Continued)

The DB Plan principally invests in marketable securities, investment partnerships with underlying investments in marketable securities, and fixed income securities. The tables below summarize the estimated fair values of the DB Plan's assets by major category and by all the levels of inputs that may be used to determine fair value, as defined in Note 9.

	September 30, 2018			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-term, interest bearing accounts	\$ 3,463	\$ 3,463	\$ -	\$ -
Governmental securities	20,061	-	20,061	-
Mutual funds	36,750	36,750	-	-
Corporate and agency notes and bonds	27,344	-	27,344	-
Equity securities	5,512	5,512	-	-
Collective trust*	5,779	-	-	-
	<u>\$ 98,909</u>	<u>\$ 45,725</u>	<u>\$ 47,405</u>	<u>\$ -</u>

	September 30, 2017			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-term, interest bearing accounts	\$ 3,851	\$ 3,851	\$ -	\$ -
Governmental securities	18,381	-	18,381	-
Mutual funds	35,618	35,618	-	-
Corporate and agency notes and bonds	30,327	-	30,327	-
Equity securities	5,232	5,232	-	-
Collective trust*	5,261	-	-	-
	<u>\$ 98,670</u>	<u>\$ 44,701</u>	<u>\$ 48,708</u>	<u>\$ -</u>

* Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the consolidated balance sheets.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 8 - SELF INSURANCE PLANS

Professional Liability Insurance

Effective April 1, 2003, the Medical Center has established a self-insurance program for professional and general liability insurance. Prior to April 2003, the Medical Center was commercially insured, on a claims-made basis subject to certain deductibles, for professional liability insurance. The Medical Center has established a self-insured retention trust fund for the purpose of accumulating assets to fund estimated future self-insured losses. Under the trust agreement, the Medical Center shall contribute funds to the trust from time to time; however, the trust has not been separately funded as of September 30, 2018. Once funded, the trust's assets can only be used for payment of covered losses and related expenses.

The Medical Center has accrued a liability for the self-insured portion of losses from asserted claims and from unasserted claims identified under the Medical Center's incident reporting system. Management has accrued its best estimate of these contingent losses for all outstanding and incurred but not reported claims related to the above coverage, based on the Medical Center's past experience, the nature of each claim or incident and relevant trend factors, as well as actuarial valuations. The liability estimate for professional liability insurance was discounted using a rate of 3.5% at both September 30, 2018 and 2017. The discounted liability recorded at September 30, 2018 and 2017, was approximately \$10,558 and \$11,746, respectively, and is included in other long-term liabilities and accrued expenses and other payables in the accompanying consolidated balance sheets. The undiscounted amount of the known and incurred but not reported claims and related expenses is approximately \$11,903 and \$13,030 as of September 30, 2018 and 2017, respectively.

Workers' Compensation

The Medical Center is self-insured for workers' compensation insurance. The Medical Center has commercial insurance coverage for per occurrence claims in excess of \$500 effective October 1, 2012. All claims are submitted to, and processed by, a third-party administrator. An estimated accrual for workers' compensation claims incurred but not reported as determined by an actuarial valuation has been recorded in the accompanying consolidated balance sheets. Liability estimates for workers' compensation insurance were discounted using a rate of 3.5% at both September 30, 2018 and 2017. The discounted liability recorded at September 30, 2018 and 2017, was approximately \$3,696 and \$2,765, respectively, and is included in other long-term liabilities and accrued expenses and other payables in the accompanying consolidated balance sheets. The undiscounted amount of the known and incurred but not recorded claims and related expenses is approximately \$4,082 and \$3,027 as of September 30, 2018 and 2017, respectively.

The Medical Center adopted ASU 2010-24 during fiscal 2012, which resulted in the recording of an insurance recovery in other assets and an increase in the liability for the workers' compensation self-insurance program of approximately \$787 and \$794 at September 30, 2018 and 2017, respectively, on the consolidated balance sheets.

Health Insurance Plans

The Medical Center has established a self-funded employee medical insurance program, referred to as the Martin Benefits Plan. The Medical Center has accrued a liability for unasserted medical claims of \$3,494 and \$2,494 at September 30, 2018 and 2017, respectively.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB defines fair value as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The FASB also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following provides a description of the three levels of inputs that may be used to measure fair value under this guidance.

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2: Observable prices that are based on inputs not quoted on active markets but are corroborated by market data.

Level 3: Unobservable inputs are used when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs. The Medical Center does not have any financial assets or liabilities with significant Level 3 inputs.

There were no transfers into or out of Level 1 or Level 2 that occurred between October 1, 2017 and September 30, 2018 or October 1, 2016 and September 30, 2017.

The Medical Center's cash and cash equivalents, domestic equity securities, international equity securities, collective trust, and commodities consist of high-quality, investment grade securities from diverse issuers. The Medical Center values these securities based on pricing from the trustees, whose sources use quoted prices in active market for identical assets (Level 1 inputs) in determining value. The Medical Center values its U.S. treasury obligations, governmental agency bonds, corporate bonds, municipal bonds, and asset-backed security investments based on inputs other than quoted prices that observable either directly or indirectly (Level 2 inputs) in determining value. The Medical Center values marketable equity securities based on Level 1 or Level 2 inputs in determining value.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 9 - FAIR VALUE FINANCIAL INSTRUMENTS (Continued)

The tables below summarize the estimated fair values, by level, of the Medical Center's financial assets and liabilities as of September 30, 2018 and 2017 which are measured at fair value on a recurring basis:

	Carrying Value	Level 1	Level 2	Level 3
<u>September 30, 2018</u>				
Investments:				
Cash and cash equivalents	\$ 2,210	\$ 2,210	\$ -	\$ -
Marketable equity securities	101,797	88,807	12,990	-
Commodities	2,765	2,765	-	-
U.S. Treasury obligations	8,879	-	8,879	-
Governmental agency bonds	12,521	-	12,521	-
Corporate bonds	52,001	-	52,001	-
	<u>\$ 180,173</u>	<u>\$ 93,782</u>	<u>\$ 86,391</u>	<u>\$ -</u>
Assets limited as to use:				
Cash and short-term investments	\$ 2,228	\$ 2,228	\$ -	\$ -
U.S. Treasury obligations	5,956	-	5,956	-
Governmental agency bonds	5,667	-	5,667	-
Corporate bonds	397	-	397	-
	<u>\$ 14,248</u>	<u>\$ 2,228</u>	<u>\$ 12,020</u>	<u>\$ -</u>
Interest rate swaps	<u>\$ (1,532)</u>	<u>\$ -</u>	<u>\$ (1,532)</u>	<u>\$ -</u>
	Carrying Value	Level 1	Level 2	Level 3
<u>September 30, 2017</u>				
Investments:				
Cash and cash equivalents	\$ 2,397	\$ 2,397	\$ -	\$ -
Marketable equity securities	105,747	93,921	11,826	-
Commodities	2,679	2,679	-	-
U.S. Treasury obligations	10,169	-	10,169	-
Governmental agency bonds	9,419	-	9,419	-
Corporate bonds	53,999	-	53,999	-
	<u>\$ 184,410</u>	<u>\$ 98,997</u>	<u>\$ 85,413</u>	<u>\$ -</u>
Assets limited as to use:				
Cash and short-term investments	\$ 20,576	\$ 20,576	\$ -	\$ -
U.S. Treasury obligations	3,586	-	3,586	-
Governmental agency bonds	290	-	290	-
Corporate bonds	7,982	-	7,982	-
	<u>\$ 32,434</u>	<u>\$ 20,576</u>	<u>\$ 11,858</u>	<u>\$ -</u>
Interest rate swaps	<u>\$ (2,547)</u>	<u>\$ -</u>	<u>\$ (2,547)</u>	<u>\$ -</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Cash and cash equivalents, patient accounts receivable, estimated third-party settlements, accounts payable, and accrued expenses and other payables are reflected in the accompanying consolidated financial statements at amounts that approximate fair value because of the short-term nature of these instruments.

Long-Term Debt: The fair value of the Medical Center's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Medical Center for debt of the same remaining maturities.

Interest Rate Swaps: Since the Medical Center's interest rate swaps are not traded on a market exchange, the fair values are determined using valuation models that are based on discounted cash flow analyses on the expected cash flows. The cash flow analyses reflect the contractual terms of the interest rate swap agreements, including the periods to maturity, and use observable market-based inputs, five-year Treasury, five-year LIBOR, five-year tax-exempt AAA-rated bond scale, and Municipal Market Data (MMD). The fair values of the Medical Center's interest rate swap agreements are determined by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on the expectation of future interest rates based on the observable interest rate curves and the notional amounts. In addition, the Medical Center incorporates credit valuation adjustments to appropriately reflect both its own nonperformance or credit risk and the counterparties' nonperformance or credit risk in the fair value measurements. The interest rate swap agreements expose the Medical Center to credit risks in the event of nonperformance by the counterparties. The majority of the inputs used to value the interest rate swap agreements, including the MMD and LIBOR forward interest rate curve and market perceptions of the Medical Center's credit risk used in the credit valuation adjustments, are observable inputs available to a market participant. As a result, the Medical Center has determined that the interest rate swap valuations are classified in Level 2 of the fair value hierarchy.

The estimated fair values of the Medical Center's financial instruments at September 30, 2018 and 2017 are as follows:

	2018		2017	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Cash and cash equivalents	\$ 21,064	\$ 21,064	\$ 6,165	\$ 6,165
Investments	\$ 180,173	\$ 180,173	\$ 184,410	\$ 184,410
Under bond indenture agreements, held by trustee	\$ 14,248	\$ 14,248	\$ 32,434	\$ 32,434
Interest rate swaps	\$ (1,532)	\$ (1,532)	\$ (2,547)	\$ (2,547)
Long-term debt	\$ (307,827)	\$ (315,033)	\$ (304,409)	\$ (314,517)

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 10 - COMMITMENTS

Leases

Rent expense under operating leases amounted to approximately \$3,437 and \$3,639 in 2018 and 2017, respectively, and is included in other expenses in the accompanying consolidated statements of operations and changes in net assets. Certain of these leases contain stated escalation clauses. Operating lease commitments as of September 30, 2018 (primarily for rental of real property) require minimum annual rentals as follows (in thousands):

2019	\$	2,833
2020		2,442
2021		2,259
2022		2,240
2023		2,130
Thereafter		<u>13,227</u>
	\$	<u>25,131</u>

Asset Retirement Obligation

The Medical Center follows accounting rules established by the FASB related to asset retirement and environmental obligations that provide clarification with respect to the timing of liability recognition of legal obligations associated with the retirement of tangible long-lived assets when the timing and/or method of settlement of the obligation are conditional on a future event.

The guidance related to asset retirement and environmental obligations requires the fair value of a liability for a legal obligation associated with an asset retirement to be recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. The liability is accreted to its present value each year, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of activities and changes in net assets.

The Medical Center follows the guidance related to asset retirement and environmental obligations as it relates to estimated costs to remove asbestos that is contained within the Medical Center's facilities. The Medical Center adjusts its asset retirement obligation at fiscal year-end and has a liability of \$1,709 and \$1,700 as of September 30, 2018 and 2017, respectively, which is included in other long-term liabilities in the accompanying consolidated balance sheets.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 11 - CONCENTRATION OF CREDIT RISK

The Medical Center includes acute care, full-service facilities serving Martin and St. Lucie counties. Except for emergency treatment, proof of insurance coverage is requested, if available, prior to rendering services. At September 30, 2018, accounts receivable from third parties are due from Medicare (25%), Medicaid (4%), managed care plans (29%), and patients, workers' compensation, and commercial insurers (42%). At September 30, 2017, accounts receivable from third parties are due from Medicare (25%), Medicaid (3%), managed care plans (33%), and patients, workers' compensation, and commercial insurers (39%). The Medical Center does not require collateral on accounts receivable. The Medical Center maintains an allowance for estimated uncollectible accounts at a level that management believes is sufficient to cover potential credit losses. The allowance for estimated uncollectible accounts is based on historical collection and write-off experience. Accounts receivable are turned over to collection agencies 90 days after insurance activity is complete.

NOTE 12 - RELATED PARTY TRANSACTIONS

The Medical Center paid approximately \$873 and \$1,144 to Medical and Financial Management, Inc. (MFMI), a for-profit affiliate, for billing and collection services and rent during 2018 and 2017, respectively, pursuant to an agreement for a period of one year that is automatically renewable for subsequent one-year terms.

The Medical Center paid fees of approximately \$6,127 and \$6,266 to Coastal Care Corporation, a not-for-profit affiliate, for expenses such as transportation, rent, and purchased services during 2018 and 2017, respectively.

The Medical Center provides supplies, rental space, and services such as accounting, information services, human resources, insurance, and maintenance to affiliates. Fees of approximately \$3,563 and \$3,476 were paid to the Medical Center for these services during 2018 and 2017, respectively, pursuant to one-year agreements that are automatically renewable for subsequent one-year terms.

Transfers to affiliates consist of net asset contributions from the Medical Center to Martin Memorial Physician Corp., a related entity under common control, of \$21,963 and transfers of unrestricted net assets from the Foundation to the Medical Center of \$17 for 2018. Transfers to affiliates consist of net asset contributions from the Medical Center to the Health System of \$20,331 and transfers of unrestricted net assets from the Foundation to the Medical Center of \$44 for 2017.

In September 2018, the Foundation transferred \$4,500 in temporarily restricted net assets to the Medical Center as a funding advance related to the Medical Center's Emergency Department construction project.

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018 and 2017
(In Thousands)

NOTE 13 - MINIMUM REVENUE GUARANTEES

In order to recruit and retain physicians to work in the community it serves, as well as provide specialty coverage necessary for full-service hospitals, the Medical Center has entered into certain arrangements in the form of minimum revenue guarantees with various physician practices. The physicians with whom the guarantee agreements are made agree to maintain their practices within the Medical Center's geographic area for a specific period (normally three years) or they would be liable to repay all or a portion of the guarantee received. The physician's liability for any guarantee repayment due to noncompliance with the guarantee contract provisions is collateralized by a promissory note from the practices. The Medical Center records an asset for the estimated fair value of the minimum revenue guarantees and amortizes the asset from the beginning of the guarantee payment period through the end of the agreement. Included in the Medical Center's consolidated balance sheets at September 30, 2018 and 2017, is an asset of \$237 and \$1,569, and a liability of \$0 and \$1,216, respectively, for physician guarantees. At September 30, 2018, the maximum amount of all unpaid minimum revenue guarantees was approximately \$0.

NOTE 14 - SUBSEQUENT EVENTS

The Medical Center evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date or disclosure in the notes to the consolidated financial statements. The Medical Center has evaluated subsequent events through December 26, 2018, the date the consolidated financial statements were issued.

As of October 31 2018, the System signed a definitive agreement that will result in becoming a full member of the Cleveland Clinic Foundation. Closing of the transaction is anticipated between January and March 2019.

SUPPLEMENTAL INFORMATION

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
September 30, 2018
(In Thousands)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Martin Memorial Medical Center, Inc.</u>	<u>Medical Center at St. Lucie West, Ltd.</u>	<u>Medical Center at Hobe Sound, Ltd.</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 21,064	\$ -	\$ 21,055	\$ -	\$ 9
Investments	180,173	-	180,173	-	-
Patient accounts receivable, net of allowance for estimated uncollectible accounts of \$15,127	53,954	-	53,954	-	-
Inventories and prepaid expenses	15,769	-	15,769	-	-
Due from affiliates	1,510	(262)	1,772	-	-
Assets limited as to use under bond indenture agreements, held by trustee	1,540	-	1,540	-	-
Other current assets	780	-	779	-	1
Total current assets	274,790	(262)	275,042	-	10
Assets limited as to use under bond indenture agreements, held by trustee	12,708	-	12,708	-	-
Interest in net assets of affiliate	28,913	-	28,913	-	-
Property and equipment, net	379,184	-	369,905	7,490	1,789
Other assets	1,163	(6,985)	8,143	-	5
Total assets	\$ 696,758	\$ (7,247)	\$ 694,711	\$ 7,490	\$ 1,804

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
September 30, 2018
(In Thousands)

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable							
Accrued expenses and other payables							
Due to affiliates							
Current portion of long-term debt							
Estimated third-party settlements							
Total current liabilities							

Long-term liabilities:

Long-term debt, less current portion							
Interest rate swaps							
Pension							
Other long-term liabilities							
Total long-term liabilities							

Total liabilities

Commitments and contingencies

Net assets:

Unrestricted							
Noncontrolling interests							
Total unrestricted net assets							
Temporarily restricted							
Total net assets							
Total liabilities and net assets							

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Martin Memorial Medical Center, Inc.</u>	<u>Medical Center at St. Lucie West, Ltd.</u>	<u>Medical Center at Hobe Sound, Ltd.</u>
\$	14,435	\$ -	\$ 14,435	\$ -	\$ -
	42,766	-	42,518	205	43
	4,511	(262)	4,511	262	-
	7,871	-	7,530	341	-
	1,368	-	1,368	-	-
	70,951	(262)	70,362	808	43
	295,846	-	294,469	1,377	-
	1,532	-	1,532	-	-
	33,894	-	33,894	-	-
	16,576	-	16,576	-	-
	347,848	-	346,471	1,377	-
	418,799	(262)	416,833	2,185	43
	248,873	(7,067)	248,874	5,305	1,761
	82	82	-	-	-
	248,955	(6,985)	248,874	5,305	1,761
	29,004	-	29,004	-	-
	277,959	(6,985)	277,878	5,305	1,761
	\$ 696,758	\$ (7,247)	\$ 694,711	\$ 7,490	\$ 1,804

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended September 30, 2018
(In Thousands)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Martin Memorial Medical Center, Inc.</u>	<u>Medical Center at St. Lucie West, Ltd.</u>	<u>Medical Center at Hobe Sound, Ltd.</u>
Changes in unrestricted net assets:					
Unrestricted revenue:					
Patient service revenue	\$ 510,702	\$ -	\$ 510,702	\$ -	\$ -
Provision for uncollectible accounts	(29,081)	-	(29,081)	-	-
Net patient service revenue, less provision for uncollectible account:	481,621	-	481,621	-	-
Investment income	14,785	-	14,785	-	-
Other operating revenue	9,423	(995)	8,725	1,490	203
Net assets released from restrictions, used for operations	1,076	-	1,076	-	-
Total unrestricted revenue	506,905	(995)	506,207	1,490	203
Expenses:					
Salaries and wages	201,682	-	201,682	-	-
Employee benefits	53,239	-	53,239	-	-
Professional fees	8,464	-	8,445	9	10
Supplies	94,228	-	94,228	-	-
Other	39,240	(983)	39,898	273	52
Maintenance	16,022	(7)	15,921	102	6
Insurance	14,329	-	14,309	16	4
Interest	13,354	-	13,281	73	-
Change in fair value of interest rate swaps	(1,014)	-	(1,014)	-	-
Depreciation and amortization	39,601	-	39,044	486	71
State indigent care assessment	5,494	-	5,494	-	-
Total expenses	484,639	(990)	484,527	959	143
Operating income (loss)	22,266	(5)	21,680	531	60
Nonoperating gains (losses), net	(387)	(585)	198	-	-
Excess (deficiency) of revenue over expenses	<u>\$ 21,879</u>	<u>\$ (590)</u>	<u>\$ 21,878</u>	<u>\$ 531</u>	<u>\$ 60</u>

(Continued)

MARTIN MEMORIAL MEDICAL CENTER, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended September 30, 2018
(In Thousands)

	<u>Consolidated</u>	<u>Eliminations</u>	<u>Martin Memorial Medical Center, Inc.</u>	<u>Medical Center at St. Lucie West, Ltd.</u>	<u>Medical Center at Hobe Sound, Ltd.</u>
Other changes in unrestricted net assets:					
Excess (deficiency) of revenue over expenses	\$ 21,879	\$ (590)	\$ 21,878	\$ 531	\$ 60
Changes in liabilities of post-retirement benefits	7,370	-	7,370	-	-
Transfers to affiliates, net	(21,946)	-	(21,946)	-	-
Net assets released from restrictions, used for purchase of property and equipment	3,395	-	3,395	-	-
Other	(31)	480	(31)	(350)	(130)
Increase (decrease) in unrestricted net assets	10,667	(110)	10,666	181	(70)
Changes in temporarily restricted net assets:					
Change in interest in net assets of affiliate	9,446	-	9,446	-	-
Net assets released from restrictions, used for operations	(1,076)	-	(1,076)	-	-
Net assets released from restrictions, used for purchase of property and equipment	(3,395)	-	(3,395)	-	-
Other	7	-	7	-	-
Decrease in temporarily restricted net assets	4,982	-	4,982	-	-
Increase (decrease) in net assets	15,649	(110)	15,648	181	(70)
Net assets at beginning of year	262,310	(6,875)	262,230	5,124	1,831
Net assets of end of year	<u>\$ 277,959</u>	<u>\$ (6,985)</u>	<u>\$ 277,878</u>	<u>\$ 5,305</u>	<u>\$ 1,761</u>