

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.

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

OMB No. 1545-0047

2019**Open to Public
Inspection****A** For the 2019 calendar year, or tax year beginning

07/01, 2019, and ending

06/30, 2020

B Check if applicable:

<input type="checkbox"/>	Address change
<input type="checkbox"/>	Name change
<input type="checkbox"/>	Initial return
<input type="checkbox"/>	Terminated
<input type="checkbox"/>	Amended return
<input type="checkbox"/>	Application pending

C Name of organization LUTHERAN HOSPITAL ASSOC OF THE SAN LUIS VALLEY

Doing Business As SAN LUIS VALLEY HEALTH

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

106 BLANCA AVENUE

Room/suite

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

ALAMOSA, CO 81101

D Employer identification number

84-0255530

E Telephone number

(719) 589-2511

G Gross receipts \$ 103,327,708.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.SANLUISVALLEYHEALTH.ORG**H(c)** Group exemption number ▶**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1928**M** State of legal domicile: CO**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO BE A PREMIER, FULLY INTEGRATED RURAL HEALTH CARE SYSTEM PROVIDING EXCEPTIONAL PATIENT-CENTERED SERVICES TO THE SAN LUIS VALLEY.		
	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	14.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10.
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	952.
	6	Total number of volunteers (estimate if necessary)	6	14.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	691,645.	2,912,865.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	107,589,031.	99,446,348.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	389,507.	465,754.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	480,029.	482,848.
	12		109,150,212.	103,307,815.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	42,619.	31,204.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	56,149,758.	60,148,587.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 230,138.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	46,674,343.	42,150,506.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	102,866,720.	102,330,297.
	19	Revenue less expenses. Subtract line 18 from line 12	6,283,492.	977,518.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	104,788,043.	124,950,273.
	22	Net assets or fund balances. Subtract line 21 from line 20	36,563,623.	55,586,601.
22		68,224,420.	69,363,672.	

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

Paid Preparer Use Only

Print/Type preparer's name

ADAM R SMITH CPA

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00958966

Firm's name ▶ BKD, LLP

Firm's EIN ▶ 44-0160260

Firm's address ▶ 111 SOUTH TEJON, SUITE 800 COLORADO SPRINGS, CO 80903-9848

Phone no. 719 471-4290

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2019)

Cumulative e-File History 2019

FED

Tax Return

58327P

Return Type

990

TaxpayerLUTHERAN HOSPITAL ASSOC OF THE
SAN

Submitted Date 2020-10-20 15:30:03

Acknowledgement Date 2020-10-20 15:56:57

Status Accepted

Submission ID 84022720202945000008

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

ATTACHMENT 1

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 \$ 77,672,350. including grants of \$ 31,204.) (Revenue \$ 99,535,451.)

ATTACHMENT 2

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 77,672,350.

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
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>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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>		X
25b 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>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
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>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
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>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
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>		
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>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	X	

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	77	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

	Yes	No
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 952		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O		
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)?		X
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?		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12 10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders 11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.		
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?		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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 on 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

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	14			
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b Enter the number of voting members included on line 1a, above, who are independent.		10		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?				X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6 Did the organization have members or stockholders?				X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?				X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?				X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			X	
b Each committee with authority to act on behalf of the governing body?			X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.				X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ►
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, 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 on Schedule O)
- 19** Describe on 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 ►

THE ORGANIZATION 106 BLANCA AVENUE ALAMOSA, CO 81101

719-589-2511

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 ☒ X**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.
- See instructions for the order in which to list the persons above.

☐ 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) JASON DEFEE PHYSICIAN	36.00 0.					X		579,060.	0.	28,188.
(2) CARISSA TRIPI PHYSICIAN	40.00 0.					X		573,603.	0.	27,188.
(3) KONNIE MARTIN CEO	40.00 2.00			X				482,374.	0.	28,188.
(4) MAUREEN COOPER PHYSICIAN	40.00 0.					X		477,568.	0.	14,747.
(5) OLIVIER DE RAET PHYSICIAN	44.00 0.					X		453,116.	0.	28,098.
(6) JULIAN MAENDEL PHYSICIAN	40.00 0.					X		429,344.	0.	27,278.
(7) DENNARD ELLISON TRUSTEE, PHYSICIAN	40.00 0.	X						413,322.	0.	27,988.
(8) CARMELO HERNANDEZ CMO	40.00 0.			X				345,859.	0.	28,095.
(9) NUWAN PILAPITIYA TRUSTEE, PHYSICIAN	40.00 0.	X						238,370.	0.	25,827.
(10) SHANE MORTENSEN CFO	40.00 1.00			X				234,081.	0.	25,543.
(11) ANTONIO GURULE CLINIC ADMINSTRATOR	40.00 0.			X				200,362.	0.	17,195.
(12) KELLY GALLEGOS CCH ADMINSTRATOR	40.00 0.			X				187,467.	0.	22,419.
(13) CHRISTINE HETTINGER-HUNT COO	40.00 0.			X				157,674.	0.	21,350.
(14) SUSAN GEIGER TRUSTEE, PHYSICIAN	20.00 0.	X						149,584.	0.	7,314.

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) ROBERTA BEAN CNO	40.00 0.			X				51,785.	0.	1,713.
(16) KARLA HARDESTY PRESIDENT	2.00 0.	X		X				2,800.	0.	0.
(17) KENDALL KNAUS SECRETARY/TREASURER	2.00 0.	X		X				1,100.	0.	0.
(18) PATRICK CROWDER TRUSTEE	2.00 0.	X						1,100.	0.	0.
(19) CHERI CROWDER TRUSTEE	2.00 0.	X						1,100.	0.	0.
(20) ROSALIE MARTINEZ TRUSTEE	2.00 0.	X						1,100.	0.	0.
(21) KASEY RUSSELL TRUSTEE	2.00 0.	X						1,100.	0.	0.
(22) JIM EHRLICH VICE PRESIDENT	2.00 0.	X		X				1,000.	0.	0.
(23) JAN GAY TRUSTEE	2.00 0.	X						800.	0.	0.
(24) DONALD SHAWCROFT TRUSTEE	2.00 0.	X						700.	0.	0.
(25) KATHY LORENZ TRUSTEE	2.00 0.	X						500.	0.	0.
1b Sub-total								4,984,869.	0.	331,131.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								4,984,869.	0.	331,131.

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 **94**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **10**

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	280,339.			
	e	Government grants (contributions) . .	1e	1,782,030.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	850,496.			
	g	Noncash contributions included in lines 1a-1f.	1g	\$			
	h	Total. Add lines 1a-1f		2,912,865.			
	Program Service Revenue				Business Code		
2a		PATIENT SERVICE REVENUE	561110	35,119,982.	35,119,982.		
b		MEDICARE/MEDICAID	561110	60,908,728.	60,908,728.		
c		ELECTRONIC HEALTH RECORD PAYMENTS	900099	96,856.	96,856.		
d		AMBULANCE DISTRICT REVENUE	621910	597,908.	597,908.		
e		340B PAYMENTS	900099	2,461,602.	2,461,602.		
f		All other program service revenue		261,272.	261,272.		
g		Total. Add lines 2a-2f		99,446,348.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts).		474,472.			474,472.
	4	Income from investment of tax-exempt bond proceeds		0.			
	5	Royalties		0.			
	6a	Gross rents	(i) Real	9,992.			
			(ii) Personal				
	b	Less: rental expenses		11,175.			
	c	Rental income or (loss)		-1,183.			
	d	Net rental income or (loss)		-1,183.			-1,183.
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
	b	Less: cost or other basis and sales expenses		8,718.			
	c	Gain or (loss)		-8,718.			
	d	Net gain or (loss)		-8,718.			-8,718.
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		0.			
			0.				
			0.				
b	Less: direct expenses		0.				
c	Net income or (loss) from fundraising events.		0.				
9a	Gross income from gaming activities. See Part IV, line 19		0.				
			0.				
			0.				
b	Less: direct expenses		0.				
c	Net income or (loss) from gaming activities.		0.				
10a	Gross sales of inventory, less returns and allowances		0.				
			0.				
			0.				
b	Less: cost of goods sold		0.				
c	Net income or (loss) from sales of inventory.		0.				
Miscellaneous Revenue				Business Code			
	11a	CAFETERIA SALES	722514	319,854.			319,854.
	b	ABSTRACT REVENUE	900099	20,199.	40.		20,159.
	c	MISCELLANEOUS REVENUE	900099	89,063.	89,063.		
	d	All other revenue		54,915.			54,915.
e	Total. Add lines 11a-11d		484,031.				
12	Total revenue. See instructions			103,307,815.	99,535,451.		859,499.

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	31,204.	31,204.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	2,576,923.	860,770.	1,699,078.	17,075.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	369,637.	123,470.	243,718.	2,449.
7 Other salaries and wages	46,700,306.	36,951,079.	9,625,434.	123,793.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,820,202.	1,460,244.	352,539.	7,419.
9 Other employee benefits	5,455,020.	4,288,625.	1,143,682.	22,713.
10 Payroll taxes	3,226,499.	2,506,288.	706,612.	13,599.
11 Fees for services (nonemployees):				
a Management	0.			
b Legal	290,712.		290,712.	
c Accounting	119,640.		119,640.	
d Lobbying	6,161.		6,161.	
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	8,341,409.	5,639,705.	2,701,704.	
12 Advertising and promotion	129,327.		129,327.	
13 Office expenses	1,531,025.	298,582.	1,230,548.	1,895.
14 Information technology	2,097,019.		2,097,019.	
15 Royalties	0.			
16 Occupancy	964,108.	597,039.	366,724.	345.
17 Travel	359,472.	222,647.	136,825.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	55,627.		55,627.	
20 Interest	509,736.		509,736.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	3,638,491.	2,549,395.	1,089,096.	
23 Insurance	1,044,585.	512,136.	532,309.	140.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	14,623,434.	14,623,434.		
b PROVIDER FEES	4,615,741.	4,615,741.		
c REPAIRS & MAINTENANCE	2,079,860.	1,793,207.	286,653.	
d BOOKS/DUES/SUBSCRIPTIONS	486,575.	466,550.	20,025.	
e All other expenses	1,257,584.	132,234.	1,084,640.	40,710.
25 Total functional expenses. Add lines 1 through 24e	102,330,297.	77,672,350.	24,427,809.	230,138.
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)	0.			

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	1,620,662.	1	11,410,339.
	2 Savings and temporary cash investments.	11,485,909.	2	17,529,745.
	3 Pledges and grants receivable, net	36,285.	3	0.
	4 Accounts receivable, net.	11,669,799.	4	11,017,523.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B).	0.	6	0.
	7 Notes and loans receivable, net	0.	7	0.
	8 Inventories for sale or use	2,030,690.	8	2,319,930.
	9 Prepaid expenses and deferred charges	2,214,947.	9	2,563,035.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 100,341,259.		
	b Less: accumulated depreciation.	10b 45,624,087.		
	11 Investments - publicly traded securities.	49,609,998.	10c	54,717,172.
	12 Investments - other securities. See Part IV, line 11.	23,887,093.	11	24,471,314.
	13 Investments - program-related. See Part IV, line 11.	12,100.	12	12,000.
	14 Intangible assets	377,355.	13	283,214.
	15 Other assets. See Part IV, line 11	0.	14	0.
16 Total assets. Add lines 1 through 15 (must equal line 33)	1,843,205.	15	626,001.	
	104,788,043.	16	124,950,273.	
Liabilities	17 Accounts payable and accrued expenses.	11,570,563.	17	24,780,223.
	18 Grants payable	0.	18	0.
	19 Deferred revenue.	855,563.	19	9,190,385.
	20 Tax-exempt bond liabilities.	0.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D.	0.	21	0.
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	23,866,966.	23	21,345,462.
	24 Unsecured notes and loans payable to unrelated third parties.	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	270,531.	25	270,531.
	26 Total liabilities. Add lines 17 through 25.	36,563,623.	26	55,586,601.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	67,847,065.	27	69,080,458.
	28 Net assets with donor restrictions.	377,355.	28	283,214.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund.		30	
	31 Retained earnings, endowment, accumulated income, or other funds.		31	
	32 Total net assets or fund balances	68,224,420.	32	69,363,672.
33 Total liabilities and net assets/fund balances.	104,788,043.	33	124,950,273.	

Form **990** (2019)

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	103,307,815.
2	Total expenses (must equal Part IX, column (A), line 25)	2	102,330,297.
3	Revenue less expenses. Subtract line 2 from line 1	3	977,518.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	68,224,420.
5	Net unrealized gains (losses) on investments	5	255,875.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain on Schedule O).	9	-94,141.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	69,363,672.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain on 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 on Schedule O and describe any steps taken to undergo such audits . . .

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

Form **990** (2019)

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

2019

**Open to Public
Inspection**

Name of the organization **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations

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

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

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

Schedule A (Form 990 or 990-EZ) 2019

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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. <input type="checkbox"/>		
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2019. 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 - 2018. 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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ☐

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box 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 (as 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.			
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) 2019

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 2019 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-2019	(iii) Distributable Amount for 2019
1	Distributable amount for 2019 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2019 (reasonable cause required - explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2019			
a	From 2014			
b	From 2015			
c	From 2016			
d	From 2017			
e	From 2018			
f	Total of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2019 distributable amount			
i	Carryover from 2014 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2019 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2019 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2019, 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 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7	Excess distributions carryover to 2020. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a	Excess from 2015			
b	Excess from 2016			
c	Excess from 2017			
d	Excess from 2018			
e	Excess from 2019			

Schedule A (Form 990 or 990-EZ) 2019

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

Schedule of Contributors

OMB No. 1545-0047

2019

▶ **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

LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number

84-0255530

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 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 **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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		\$ 280,339.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 125,337.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 24,000.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 40,054.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 166,667.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6		\$ 7,500.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number	84-0255530
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(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____

Name of organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number
84-0255530

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
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(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

2019

**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 **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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.

Schedule C (Form 990 or 990-EZ) 2019

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 (grassroots lobbying)			
b Total lobbying expenditures to influence a legislative body (direct lobbying)			
c Total lobbying expenditures (add lines 1a and 1b)			
d Other exempt purpose expenditures			
e Total exempt purpose expenditures (add lines 1c and 1d)			
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1e.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.		
Over \$17,000,000	\$1,000,000.		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2019

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?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities?	X		6,161.
j	Total. Add lines 1c through 1i			6,161.
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carry over lobbying and political 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 PAGE 4

Part IV Supplemental Information (continued)

SCHEDULE C, PART II-B, LINE 1I

DESCRIPTION OF LOBBYING ACTIVITIES:

SAN LUIS VALLEY HEALTH RECEIVED CORRESPONDENCE FROM THE COLORADO HEALTH
AND HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION REGARDING
THEIR MEMBERSHIP DUES. A PORTION OF THEIR DUES WERE ATTRIBUTABLE TO
LOBBYING AND APPEAR ON LINE 1I.

**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

2019

**Open to Public
Inspection**

Name of the organization **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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 (for example, 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 FASB 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 FASB 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 FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1. ▶ \$ _____ b Assets included in Form 990, Part X. ▶ \$ _____	

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

Schedule D (Form 990) 2019

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 make 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 program
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	15,629.	15,600.	46,368.	35,345.	24,766.
b Contributions	160,259.		9,194.	10,980.	10,547.
c Net investment earnings, gains, and losses	3,983.	29.	38.	43.	32.
d Grants or scholarships			40,000.		
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	179,871.	15,629.	15,600.	46,368.	35,345.

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

a Board designated or quasi-endowment ▶ 100.0000 %

b Permanent endowment ▶ _____ %

c Term endowment ▶ _____ %

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 **3a(i)**

Yes	No
	X

(ii) Related organizations **3a(ii)**

Yes	No
X	

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

Yes	No
X	

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		3,432,682.		3,432,682.
b Buildings		59,160,035.	25,768,357.	33,391,678.
c Leasehold improvements				
d Equipment		23,685,876.	18,322,353.	5,363,523.
e Other		14,062,666.	1,533,377.	12,529,289.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				54,717,172.

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) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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) ASSET RETIREMENT OBLIGATION	270,531.
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB 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	103,489,442.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	255,875.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	-74,248.
e	Add lines 2a through 2d	2e	181,627.
3	Subtract line 2e from line 1	3	103,307,815.
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	103,307,815.

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	102,350,190.
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	19,893.
e	Add lines 2a through 2d	2e	19,893.
3	Subtract line 2e from line 1	3	102,330,297.
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	102,330,297.

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 PAGE 5

Part XIII Supplemental Information (continued)

SCHEDULE D, PART V, LINE 4

DESCRIBE THE INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS:

SAN LUIS VALLEY HEALTH FOUNDATION (THE FOUNDATION) AND THE MEDICAL CENTER ARE FINANCIALLY INTERRELATED ORGANIZATIONS. THE MISSION OF THE FOUNDATION IS TO SUPPORT THE HEALTH CARE SERVICES OF THE MEDICAL CENTER AND THE COMMUNITIES IT SERVES. THE MEDICAL CENTER ACCOUNTS FOR ITS INTEREST IN THE NET ASSETS OF THE FOUNDATION IN A MANNER SIMILAR TO THE EQUITY METHOD. THE TEMPORARILY RESTRICTED NET ASSETS REPRESENTS THE INTEREST IN THE NET ASSETS OF THE FOUNDATION. WHEN ASSETS ARE TRANSFERRED TO THE SLVH BY THE FOUNDATION, THE CONTRIBUTIONS ARE RESTRICTED TO THE PURCHASE OF EQUIPMENT AND FACILITY EXPANSION.

SCHEDULE D, PART X, LINE 2

UNCERTAIN TAX POSITIONS:

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.

SCHEDULE D, PART XI, LINE 2D

REVENUE ON BOOKS, NOT ON RETURN:

(94,141) - CHANGE IN INVESTMENT IN FOUNDATION
11,175 - RENTAL EXPENSE RECLASSIFIED FROM EXPENSE TO REVENUE
8,718 - RECLASS LOSS ON DISPOSAL OF ASSET
(74,248) - TOTAL

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART XII, LINE 2D

EXPENSE ON BOOKS, NOT ON RETURN:

11,175 - RENTAL EXPENSE RECLASSIFIED FROM EXPENSE TO REVENUE

8,718 - RECLASS LOSS ON DISPOSAL OF ASSET

19,893 - TOTAL

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2019

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► **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.**

Name of the organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number
84-0255330

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <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 checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
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 checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
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"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
5c 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?		
6a Did the organization prepare a community benefit report during the tax year?	X	
6b If "Yes," did the organization make it available to the public?	X	

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			966,746.		838,630.	.82
b Medicaid (from Worksheet 3, column a)			38,396,269.	30,225,707.	8,170,562.	7.98
c Costs of other means-tested government programs (from Worksheet 3, column b) . .			919,701.	452,957.	466,744.	.46
d Total. Financial Assistance and Means-Tested Government Programs . . .			40,282,716.	30,678,664.	9,475,936.	9.26
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) .			88,645.		88,645.	.09
f Health professions education (from Worksheet 5)			9,538.		9,538.	.01
g Subsidized health services (from Worksheet 6)			2,184,744.	1,328,593.	856,151.	.84
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,655.		3,655.	
j Total. Other Benefits			2,286,582.	1,328,593.	957,989.	.94
k Total. Add lines 7d and 7j .			42,569,298.	32,007,257.	10,433,925.	10.20

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

Schedule H (Form 990) 2019

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			2,157.		2,157.	
3 Community support			7,827.		7,827.	.01
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			4,543.		4,543.	.01
7 Community health improvement advocacy			306.		306.	
8 Workforce development			2,498.		2,498.	
9 Other						
10 Total			17,331.		17,331.	.02

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.		
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		
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	21,972,327.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	22,463,762.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-491,435.
8 Describe in Part VI the extent to which any shortfall reported on 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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

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

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

Part V Facility Information**Section A. Hospital Facilities**

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

How many hospital facilities did the organization operate during the tax year? 2

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 LUTHERAN HOSPITAL OF THE SLV 106 BLANCA AVENUE ALAMOSA CO 81101 WWW.SANLUISSVALLEYHEALTH.ORG 011001	X	X		X			X			A
2 CONEJOS COUNTY HOSPITAL 19021 US HWY 285 LA JARA CO 81140 WWW.SANLUISSVALLEYHEALTH.ORG 011020	X				X		X			A
3										
4										
5										
6										
7										
8										
9										
10										

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 A

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

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?		X
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		X
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):	X	
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>19</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	X	
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		X
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		X
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):	X	
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART V, SECTION C FOR URL</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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, SECTION C FOR URL</u>		
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)?		X
b 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:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100.0000</u> % and FPG family income limit for eligibility for discounted care of <u>250.0000</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input 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 type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
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):			
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 checked="" 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?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>PART V, SECTION C FOR URL</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>PART V, SECTION C FOR URL</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>PART V, SECTION C FOR URL</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 Limited English Proficiency (LEP) populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2019

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?	X	
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?		X
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 (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
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

	Yes	No
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?	X	
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)		

Schedule H (Form 990) 2019

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 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 checked="" 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? If "Yes," explain in Section C.	23	X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	X

Schedule H (Form 990) 2019

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

SCHEDULE H, PART V, SECTION B, LINE 5

INPUT FROM REPRESENTATIVES OF THE COMMUNITY:

SLVH LEADERSHIP REPRESENTATIVES, IN COLLABORATION WITH COLORADO RURAL HEALTH CENTER, CONDUCTED A SURVEY OF INTERESTED SAN LUIS VALLEY RESIDENTS. THE SURVEY INCLUDED 44 QUESTIONS ON A VARIETY OF HEALTH AND PROVIDER ISSUES. THE HEALTH QUESTIONNAIRE FOR SLVH WAS DISTRIBUTED BY THE HOSPITAL AND THE COMMUNITY GROUP MEMBERS USING PAPER AND WEB-BASED SURVEYS. THEY WERE GIVEN TO THE COMMUNITY GROUP FOLLOWING THE FIRST MEETING AND PARTICIPANTS WERE ENCOURAGED TO HAVE THEIR COLLEAGUES, FRIENDS, AND FAMILY COMPLETE THE SURVEY AS WELL.

TO AID LEADERSHIP REPRESENTATIVES IN THE ASSESSMENT OF THE COMMUNITY'S HEALTH NEEDS, THE COMMUNITY GROUP WAS COMPRISED OF INTERESTED AGENCIES AND ORGANIZATIONS SERVING HEALTH, EDUCATION, COMMERCIAL AND GOVERNMENT INTERESTS IN THE SAN LUIS VALLEY.

- ADAMS STATE UNIVERSITY
- ADAMS STATE UNIVERSITY VETERANS PROGRAM
- BLUE PEAKS DEVELOPMENTAL SERVICES
- CITY OF ALAMOSA AND CITY COUNCIL
- CITY OF MONTE VISTA AND CITY COUNCIL
- RIO GRANDE COUNTY PUBLIC HEALTH
- SAN LUIS VALLEY BEHAVIORAL HEALTH GROUP
- SAN LUIS VALLEY DEVELOPMENT RESOURCE GROUP
- SAN LUIS VALLEY PUBLIC HEALTH PARTNERSHIPS

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

- SAN LUIS VALLEY SMALL BUSINESS DEVELOPMENT CENTER
- VALLEY WIDE HEALTH SYSTEMS
- VALLEY WIDE HEALTH SYSTEMS, NURSE
- FAMILY PARTNERSHIPS

SCHEDULE H, PART V, SECTION B, LINE 7A & 10A

DIRECT URL TO CHNA AND IMPLEMENTATION STRATEGY:

[HTTPS://WWW.SANLUISVALLEYHEALTH.ORG/DOCUMENTS/ABOUT%20US/2019-CHNA-REPORT-FINAL.PDF](https://www.sanluisvalleyhealth.org/documents/about%20us/2019-chna-report-final.pdf)

SCHEDULE H, PART V, SECTION B, LINE 11

SAN LUIS VALLEY HEALTH (SLVH) COMPLETED ITS MOST RECENT FULL COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2019. AUGUST 12, 2020 SLVH HOSTED AN ANNUAL CONVENING MEETING WITH A GOAL TO RE-ENGAGE KEY STAKEHOLDERS TO REVIEW THE 2019 CHNA PRIORITIES AND IMPLEMENTATION RESPONSE PLAN. THE MEETING WAS OPEN TO THE PUBLIC AND A NOTICE WAS PLACED IN THE LOCAL NEWS MEDIA, RADIO STATIONS, AND IN SLVH'S ORGANIZATIONAL NEWSLETTER. SLVH COLLABORATED WITH COLORADO HEALTH INSTITUTE, AN INDEPENDENT STRATEGIC ADVISOR AND SKILLED EVALUATOR GROUP, TO PLAN AND FACILITATE THE OVERALL CHNA STRATEGY AND CONVENING, COORDINATION OF DATA COLLECTION, AND SUMMARY REPORT. SLVH'S 2019 CHNA IDENTIFIED FIVE HEALTH PRIORITY AREAS: ACCESS TO CARE; CHRONIC DISEASE MANAGEMENT; MENTAL HEALTH; SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY; AND POVERTY MITIGATION. DURING THE 2020 CONVENING, PARTICIPANTS REVIEWED PRIORITY AREAS AND SLVH'S RESPONSE. CURRENT POPULATION HEALTH AND COMMUNITY DATA WERE REVIEWED, AND INPUT ON

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

SHIFTING PRIORITIES AND CHALLENGES WITHIN THE COMMUNITY WERE SOLICITED, PARTICULARLY IN LIGHT OF THE COVID-19 PANDEMIC. MORE THAN 20 COMMUNITY MEMBERS ATTENDED THE IN-PERSON AND VIRTUAL CONVENING, REPRESENTING HEALTH AND BEHAVIORAL HEALTH CARE PROVIDERS, VETERAN ADVOCACY ORGANIZATIONS, HOUSING AND FINANCIAL SERVICES, LOCAL GOVERNMENT, HIGHER EDUCATION, AGRICULTURE, HUMAN SERVICES, AND COMMUNITY REPRESENTATIVES.

THOUGH NUANCED BY THE PANDEMIC, COMMUNITY FEEDBACK AND POPULATION HEALTH DATA VALIDATED THE ORIGINAL FIVE PRIORITY AREAS. SLVH USES THE INFORMATION GATHERED TO HELP INFORM AND DEVELOP ITS STRATEGY MAP, SO THAT IT TRULY REFLECTS COMMUNITY HEALTH. SLVH ALSO USES THE DATA TO HELP DETERMINE THE AVAILABILITY AND DIRECTION TO USE ITS RESOURCES, BUILD CAPACITY OF EXISTING PROGRAMS, OR WHEN IT MAKES SENSE TO SUPPORT EFFORTS OF COMMUNITY PARTNERSHIPS WHERE THE PRIORITY IS BETTER SUITED. A RESPONSE AND IMPLEMENTATION PLAN MONITORS PROGRESS OF KEY ORGANIZATIONAL MEASURES ON AN ONGOING ANNUAL BASIS WHICH IS REPORTED BACK TO THE ORGANIZATION AND KEY STAKEHOLDERS.

CHNA IMPLEMENTATION PLAN UPDATE:

THE FOLLOWING PRIORITIES WERE IDENTIFIED AS PRESSING COMMUNITY HEALTH NEEDS FOR THE SAN LUIS VALLEY (SLV) REGION AND SLVH IMPLEMENTED THE FOLLOWING RESPONSE PLANS:

1. ACCESS TO CARE
 - A. SLVH MONITORS PATIENT EXPERIENCES OF CARE (PEC) THROUGH PARTICIPATION IN INNOVATIVE PRIMARY CARE TRANSFORMATION MODELS. PATIENT

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

SURVEYS MEASURE TIMELY APPOINTMENTS, CARE, AND INFORMATION; HOW WELL PROVIDERS COMMUNICATE; ATTENTION TO CARE FROM OTHER PROVIDERS; PROVIDERS SUPPORT PATIENT IN TAKING CARE OF OWN HEALTH; AND PATIENT RATING OF PROVIDER AND CARE.

B. SLVH HAS DEVELOPED PROCESSES TO INCREASE ACCESS TO PATIENT CARE BY OPTIMIZING CLINIC SCHEDULES AND STAFFING PATTERNS SO THAT PATIENTS ARE SCHEDULED WITH THEIR PRIMARY CARE PROVIDER (PCP) AS A FIRST CHOICE OR ANOTHER PROVIDER ON THEIR HEALTH CARE TEAM AS A SECOND CHOICE, OR OFFERED AN ACUTE CARE VISIT WITH THE ACUTE CARE PROVIDER. PRIMARY CARE CLINICS HAVE ALSO EXTENDED HOURS OF OPERATION FROM 7:00 A.M. - 7:00 PM. FOUR DAYS A WEEK, AND ADDITIONAL WEEKEND HOURS OF OPERATION ARE UNDER CONSIDERATION.

C. SLVH CONTINUES TO EVALUATE AND ASSESS POTENTIAL SERVICE LINES TO BENEFIT THE HEALTH NEEDS OF OUR PATIENT POPULATION. NEPHROLOGY SERVICE DAYS HAVE RECENTLY BEEN INCREASED, AND CARDIOLOGY SERVICE EXPANSIONS ARE UNDER CONSIDERATION.

D. MONITOR CLINIC ACCESS AND MEASURE 3RD NEXT AVAILABLE APPOINTMENTS WITHIN 3 DAYS OF DEMAND. (ACCORDING TO RESEARCH, 3RD NEXT AVAILABLE NATIONAL AVERAGE FOR HOSPITAL-OWNED CLINICS IS 3 DAYS PER MGMA, BUT BEST PRACTICE/THE ULTIMATE GOAL IS 0 DAYS FOR PRIMARY CARE.) SLVH'S GOAL IS AN AVERAGE OF 3 DAYS AMONG ITS PRIMARY CARE CLINIC SITES (INCLUDING WOMEN'S HEALTH AND PEDIATRIC CLINICS AND HAS BEEN ABLE TO MEET THE GOAL IN THE 3RD QUARTER OF 2021.

E. ON MARCH 10, 2020, IN RESPONSE TO THE GLOBAL COVID-19 PANDEMIC, SLVH LEADERSHIP INITIATED THEIR HOSPITAL EMERGENCY INCIDENT COMMAND

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

SYSTEM. ORGANIZATIONAL OBJECTIVES WERE: CARING FOR OUR COMMUNITY BY PROVIDING ESSENTIAL HEALTH CARE SERVICES; AND ENSURING THE SAFETY AND WELLBEING OF OUR TEAM. OVERALL COMMUNITY SUPPORT INCLUDED PARTICIPATION ON THE SLV HEALTH CARE COALITION, ESTABLISHING A NURSE TELEPHONE TRIAGE SYSTEM TO HELP DIRECT AND GUIDE PATIENTS APPROPRIATELY, AND ESTABLISHING TELEMED AND VIRTUAL VISITS FOR PATIENTS TO MAINTAIN ACCESS TO MEDICAL SERVICES. SLVH HAS RAMPED ALL SERVICES BACK UP AS STATE GUIDELINES HAVE BEEN MODIFIED.

2. CHRONIC DISEASE MANAGEMENT

A. SLVH HAS WORKED TO IMPROVE COMMUNICATION THROUGH APPROPRIATE EXCHANGE OF INFORMATION THROUGH THE CONTINUUM OF CARE TO SUPPORT OVERALL HEALTH CARE MANAGEMENT. THE ORGANIZATION IMPLEMENTED MEDITECH EXPANSE OCTOBER 1, 2020 THAT OFFERS EVIDENCE-BASED TOOLS AND POPULATION HEALTH MODULES WITHIN THE SYSTEM TO SUPPORT ONGOING CHRONIC CARE MANAGEMENT FOR PATIENTS WITH CHRONIC CONDITIONS.

B. SLVH HAS ESTABLISHED A MULTI-DISCIPLINE TRANSITION OF CARE TEAM. THEIR CHARTER FOCUSES ON IMPROVING DISCHARGE EDUCATION, COMMUNICATION AND INFORMATION EXCHANGE, ENSURING TIMELY PRIMARY CARE FOLLOW-UP AFTER HOSPITALIZATION AND EMERGENCY DEPARTMENT VISITS, USE OF PATIENT REGISTRIES AND SURVEILLANCE TOOLS TO ENSURE TIMELY SERVICES AND PROCEDURES FOR ONGOING HEALTH CARE MANAGEMENT, AND DEVELOP COMMUNITY PARTNERSHIPS TO ASSIST WITH TRANSPORTATION OR OTHER BARRIERS PATIENTS MAY EXPERIENCE.

C. ON AN ONGOING BASIS, SLVH ORGANIZES AND PARTICIPATES IN THE ASSEMBLY OF FOOD BOXES FOR LOCAL FOOD BANKS.

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

3. MENTAL HEALTH PREVENTION AND IMPROVEMENT

A. IN ORDER TO IMPROVE PATIENT SAFETY AND ADVANCE INTEGRATED BEHAVIORAL HEALTH (BH) SERVICES, SLVH HAS CONTINUED TO DEVELOP ITS BH DEPARTMENT AND HAS RECENTLY HIRED AN ADDITIONAL LICENSED CLINICAL SOCIAL WORKER TO PROVIDE DIRECT THERAPY SERVICES. SLVH HAS ALSO PARTNERED WITH SEVERAL HEALTH CARE AGENCIES TO EXPAND MEDICATION ASSISTED THERAPY (MAT) IN CLINIC SETTINGS, AND CONTINUES TO PARTNER WITH EXTERNAL AGENCIES TO IMPLEMENT AND/OR SUPPORT BEHAVIORAL HEALTH RESOURCES WITHIN THE ORGANIZATION AS WELL AS WITHIN THE COMMUNITY. SCREENINGS IN EMERGENCY DEPARTMENTS (ED) HELP IDENTIFY HIGH-RISK PATIENTS AND MAT CAN BE INITIATED, FOLLOWED BY A REFERRAL IN TO CLINIC PRACTICES FOR ONGOING MANAGEMENT. CURRENTLY SLVH HAS EIGHT WAIVERED PROVIDERS AND 13 PATIENTS HAVE BEEN INDUCTED IN TREATMENT.

B. SLVH HAS STANDARDIZED SCREENINGS IN EDS TO BE MORE EFFECTIVE IN ADDRESSING AND PROVIDING PROTECTIVE FACTORS DURING CLINICAL VISITS. THIS BEGINS WITH GENERAL SCREENING DURING NURSE TRIAGE TO IDENTIFY PATIENTS AT RISK, FOLLOWED BY MORE INTENSE SCREENING, FOLLOWING THE EVIDENCE-BASED COLUMBIA SUICIDE SEVERITY RATING SCALE. SEPTEMBER 2020, SLVH PARTICIPATED IN NATIONAL SUICIDE PREVENTION MONTH THROUGH SLV VOICES, A LOCAL PODCAST DISCUSSION, TO HELP LISTENERS LEARN MORE ABOUT TOOLS AND STRATEGIES TO COPE WITH STRESS AND LIFE CHALLENGES, AND SERVICES AVAILABLE TO HELP.

C. SLVH IS PARTICIPATING WITH A PRACTICE IMPROVEMENT INITIATIVE TO IMPROVE INTEGRATED CARE FOR WOMEN AND BABIES (JUNE 2020). THIS PRACTICE IMPROVEMENT INITIATIVE PROVIDES THE OPPORTUNITY TO EXPAND THE TEAM-BASED MODEL AND STRUCTURE IN SLVH'S WOMEN'S HEALTH CLINIC WITH THE AIM OF

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

INTEGRATING BH SERVICES AT THE POINT OF CARE THROUGH A MORE HOLISTIC APPROACH. SLVH HAS DEVELOPED THE STRUCTURE AND WORK SUPPORTS NECESSARY TO INTEGRATE CARE AND ENHANCE PATIENT OUTCOMES.

D. SLVH HAS INCREASED STAFFING RESOURCES FOR DISCHARGE PLANNING AT ITS CONEJOS COUNTY HOSPITAL.

4. SUBSTANCE ABUSE PREVENTION, TREATMENT AND RECOVERY

A. IN 2018 SLVH BEGAN PARTICIPATING IN COLORADO HOSPITAL ASSOCIATION'S (CHA) ALTERNATIVES TO LONG TERM OPIOID (ALTO) INITIATIVE. PRACTICE PRINCIPLES ENCOURAGE THE USE OF ALTERNATIVE PRACTICES AS A FIRST LINE TREATMENT FOR PAIN MANAGEMENT. FOLLOWING ALTO, SLVH PARTICIPATED IN CHA'S CLINICIANS UNITED TO RESOLVE THE EPIDEMIC (CURE) INITIATIVE. THE STRUCTURE OF THE INITIATIVE SUPPORTS COMPREHENSIVE, MULTISPECIALTY MEDICAL GUIDELINES FOR TARGETED CLINICAL PATHWAYS.

B. SLVH CONTINUES EFFORTS TO USE A MULTISPECIALTY MEDICAL APPROACH TO ADDRESS OPIOID MANAGEMENT, IMPROVE TRANSITIONS OF CARE THROUGH A SAFE DISCHARGE PLAN, IMPROVE ACCESS TO INTEGRATED PRIMARY HEALTH CARE SERVICES, CARE COORDINATION, AND FOLLOW UP IN THE LOCAL HEALTH CARE SYSTEM.

5. POVERTY MITIGATION

A. SLVH IS COMMITTED TO WORKING WITH COMMUNITY PARTNERS ON FOCUS GROUPS, WORKFORCE COMMITTEES AND ACTIVITIES DEVELOPED AND INTENDED TO STRENGTHEN BOTH THE LOCAL WORKFORCE PIPELINE AND STRENGTHEN THE LOCAL ECONOMY.

B. SLVH REALIZES ITS STAFF IS ITS MOST VALUABLE ASSET IN ACHIEVING ITS MISSION AND VISION. SLVH CONTINUES TO INVEST IN A COST-EFFECTIVE,

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

SUSTAINABLE EDUCATION PLAN TO ADDRESS THE NEEDS OF THE WORKFORCE AND SUPPORT THE ORGANIZATION'S MISSION. SLVH HAS ESTABLISHED AN EDUCATION COMMITTEE THAT FINANCIALLY SUPPORTS EMPLOYEES WHO ADVANCE THEIR KNOWLEDGE, SKILLS, AND COMPETENCIES THROUGH FORMAL TRAINING. EMPLOYEES ARE ASKED FOR AN EMPLOYMENT COMMITMENT OF UP TO FIVE YEARS FOLLOWING THE COMPLETION OF THE TRAINING/EDUCATION PROGRAM. SLVH ALSO OFFERS A NURSING RESIDENCY PROGRAM, HOSTING MEDICAL AND NURSING STUDENTS AND INTERNS, AND MENTORING MASTER-LEVEL CANDIDATE.

SCHEDULE H, PART V, SECTION B, LINE 16A

URL WHERE FAP IS MADE WIDELY AVAILABLE ON A WEBSITE:

[HTTPS://WWW.SANLUISVALLEYHEALTH.ORG/DOCUMENTS/CHAR-0001_CHARITY_CARE_PROGR](https://www.sanluisvalleyhealth.org/documents/char-0001_charity_care_progr)
[AM_POLICY_AND_PROCEDURE.PDF](#)

THE FINANCIAL ASSISTANCE POLICY CAN ALSO BE FOUND BY GOING TO THE HOME PAGE OF ORGANIZATION'S WEBSITE, UNDER QUICK LINKS CLICK ON GET FINANCIAL ASSISTANCE AND THERE WILL BE A FINANCIAL ASSISTANCE POLICY HYPERLINK.

SCHEDULE H, PART V, SECTION B, LINE 16B

URL WHERE FAP APPLICATION FORM IS MADE WIDELY AVAILABLE ON A WEBSITE:

[HTTPS://WWW.SANLUISVALLEYHEALTH.ORG/DOCUMENTS/CHARITY_CARE_APPLICATION.PDF](https://www.sanluisvalleyhealth.org/documents/charity_care_application.pdf)

THE FAP APPLICATION FORM CAN ALSO BE FOUND BY GOING TO THE HOME PAGE OF ORGANIZATION'S WEBSITE, UNDER QUICK LINKS CLICK ON "GET FINANCIAL

Part V Facility Information (continued)

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

ASSISTANCE" AND THERE WILL BE AN "APPLICATION" HYPERLINK.

SCHEDULE H, PART V, SECTION B, LINE 16C

URL WHERE THE PLAIN LANGUAGE SUMMARY OF THE FAP IS MADE WIDELY

[HTTPS://WWW.SANLUISVALLEYHEALTH.ORG/DOCUMENTS/PLAIN_LANGUAGE_SUMMARY.PDF](https://www.sanluisvalleyhealth.org/documents/plain_language_summary.pdf)

THE PLAIN LANGUAGE SUMMARY CAN ALSO BE FOUND BY GOING TO THE HOME PAGE OF

ORGANIZATION'S WEBSITE, UNDER QUICK LINKS CLICK ON "GET FINANCIAL

ASSISTANCE" AND THERE WILL BE A "PLAIN LANGUAGE SUMMARY" HYPERLINK.

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? 5

Name and address	Type of Facility (describe)
1 STUART AVENUE CLINIC 2115 STUART ST. ALAMOSA CO 81101	PHYSICIAN CLINIC
2 RURAL HEALTH CLINIC - ANTONITO 115 MAIN ST. ANTONITO CO 81120	RURAL HEALTH CLINIC
3 RURAL HEALTH CLINIC - LA JARA 509 MAIN ST. LA JARA CO 81140	RURAL HEALTH CLINIC
4 RURAL HEALTH CLINIC - MONTE VISTA 103 CHICO COURT MONTE VISTA CO 81144	RURAL HEALTH CLINIC
5 MONTE VISTA PRO THERAPY 2360 SHERMAN AVENUE MONTE VISTA CO 81144	SPORTS MEDICINE PHYSICAL THERAPY
6	
7	
8	
9	
10	

Schedule H (Form 990) 2019

Part VI Supplemental Information

Provide the following information.

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

SCHEDULE H, PART I, LINE 3C

DESCRIPTION OF FACTORS USED TO DETERMINE ELIGIBILITY FOR FINANCIAL
ASSISTANCE:

IN ADDITION TO THE FEDERAL POVERTY GUIDELINES THE FOLLOWING ELIGIBILITY
CRITERIA ARE ALSO USED TO DETERMINE FINANCIAL ASSISTANCE ELIGIBILITY
MEDICAL INDIGENCY, INSURANCE STATUS AND UNDERINSURANCE STATUS.

SCHEDULE H, PART I, LINE 7

THE ORGANIZATION USED A COST-TO-CHARGE RATIO FOR LINES 7A, 7B AND 7C. THE
COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE
COST-TO-CHARGES. THE INFORMATION FOR LINES 7E THROUGH 7I WAS DERIVED FROM
INFORMATION IN THE GENERAL LEDGER AND OTHER FINANCIAL DATA RELATED
SPECIFICALLY TO THE VARIOUS TYPES OF COMMUNITY BENEFITS.

SCHEDULE H, PART II, LINES 1 - 10

EACH ACTIVITY AND EXPENSE IN THIS CATEGORY IS RELATED TO THE LOCAL
COMMUNITY BY PROMOTING OR SUPPORTING HABITAT FOR HUMANITY, PLAYGROUND
CONSTRUCTION, SERVING AT THE LOCAL HOMELESS SHELTER, VOLUNTEERING AT THE

Part VI Supplemental Information

Provide the following information.

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

LOCAL FOOD BANK, RAISING FUNDS FOR SCHOOL SUPPLIES, TRAUMA PREPARATION,
WORKFORCE DEVELOPMENT, AND SAFETY OF FAMILIES AND CHILDREN THROUGH A
BIKE/HELMET SAFETY EVENT.

SCHEDULE H, PART III, SECTION A, LINE 2

THE HOSPITAL HAS ADOPTED THE NEW REVENUE RECOGNITION STANDARD ASU
2014-09. UNDER ASU 2014-09, THE ESTIMATED AMOUNTS DUE FROM PATIENTS FOR
WHICH THE HOSPITAL DOES NOT EXPECT TO BE ENTITLED OR COLLECT FROM THE
PATIENTS ARE CONSIDERED IMPLICIT PRICE CONCESSIONS AND EXCLUDED FROM THE
HOSPITAL'S ESTIMATION OF THE TRANSACTION PRICE OR REVENUE RECORDED. BAD
DEBT EXPENSE WAS NOT SIGNIFICANT TO THE AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2020. HOWEVER, THE HOSPITAL INTERNALLY TRACKS BAD
DEBT EXPENSE CONSISTENT WITH HISTORICAL PRACTICES AND THAT AMOUNT HAS
BEEN REPORTED ON SCHEDULE H, PART III, SECTION A, LINE 2.

SCHEDULE H, PART III, SECTION A, LINE 3

THE ORGANIZATION DOES NOT CONSIDER ANY OF ITS BAD DEBT EXPENSE TO BE
ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

ASSISTANCE POLICY.

SCHEDULE H, PART III, SECTION B, LINE 8

ALL OF THE MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE HOSPITALS ARE REQUIRED TO TREAT PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. AS A RURAL HOSPITAL IN SOUTHERN COLORADO, SAN LUIS VALLEY HEALTH, IS CRITICAL TO PROVIDING HEALTHCARE IN AN AREA THAT HAS LIMITED ACCESS TO SPECIALTY CARE. ACCESSIBLE, HIGH-QUALITY HEALTHCARE IS NEEDED FOR THE OVERALL HEALTH OF THE RESIDENTS OF THE SAN LUIS VALLEY EVEN IF MEDICARE REIMBURSEMENT DOES NOT MEET THE COST OF PROVIDING THAT CARE. RURAL HEALTHCARE IS OFTEN MORE COSTLY AS PATIENTS TEND TO HAVE A HIGHER THAN AVERAGE ACUITY AND LENGTH OF STAY DUE TO LIMITED SPECIALTY CARE IN THE TREATMENT AND PATIENT CARE FOLLOW PROCESS. THE MEDICARE SHORTFALL REFLECTS THE EXCESS OF COSTS CONSISTENTLY DRIVEN UP BY REGULATORY REQUIREMENTS, SKILLED LABOR SHORTAGES AND EVOLVING MEDICAL AND INFORMATION TECHNOLOGY, ABOVE NON-NEGOTIABLE PAYMENTS BASED ON UPDATES THAT HAVE FALLEN BEHIND ACTUAL HEALTHCARE COST INFLATION. THE MEDICARE COST REPORT WAS USED TO DETERMINE THE COST OF CARE REPORTED.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

SCHEDULE H, PART III, SECTION C, LINE 9B

FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THE
COLLECTION PROCESS FOLLOWS THESE STEPS:

A. PATIENTS ARE CONTACTED BY BROCHURE, MAIL AND PHONE CALLS FROM A
FINANCIAL COUNSELOR, OR THE PATIENT ACCESS MANAGER. LETTERS SENT,
BROCHURES GIVEN AND OUTBOUND PHONE CALLS AND RESPONSES ARE NOTED IN
PATIENT NOTES IN THE PATIENT'S PROFILE.

B. PATIENTS WHO QUALIFY FOR ASSISTANCE WILL PRESENT INFORMATION TO THE
FINANCIAL COUNSELORS WHO WILL UPDATE THE REGISTRATION SECTION OF THE
PATIENT PROFILE. BILINGUAL COUNSELORS OR INTERPRETERS ARE AVAILABLE.

C. PATIENTS WILL BE INFORMED OF THEIR RESPONSIBILITY TO PAY CO-PAYMENTS
OR OTHER SLIDING FEE PATIENT RESPONSIBILITY AMOUNTS. THEY WILL BE
INFORMED IN PERSON AND BY PHONE WHENEVER POSSIBLE. PAYMENT PLANS ARE
ALWAYS OFFERED FOR PATIENTS WHO CANNOT AFFORD THEIR PORTION.

D. PATIENTS WHO DO NOT PAY THEIR PORTION OR CO-PAYMENT WILL RECEIVE AN

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

INVOICE, PRINTED IN ENGLISH AND SPANISH, DIRECTING THEM TO PAY OR TO
CALL. IF THE PATIENT CALLS AND REQUESTS ASSISTANCE FROM THE FINANCIAL
COUNSELOR, THEY WILL BE DIRECTED TO THE CUSTOMER SERVICE PHONE NUMBER.

E. PATIENTS WILL RECEIVE UP TO 3 LETTERS AND 2 PHONE CALLS FROM A
CONTRACTED, 3RD PARTY VENDOR WHO HAVE BILINGUAL SPECIALISTS. WHEN 90 DAYS
HAVE PASSED WITHOUT ANY RESPONSE FROM THE PATIENT, THE ACCOUNT WILL BE
REVIEWED BY THE PATIENT ACCESS MANAGER AS WELL AS THE PATIENT ACCOUNT
MANAGER-CASH POSTING, BOTH MEMBERS OF THE BUSINESS REVENUE CYCLE TEAM.

F. UPON REVIEW, IF THE PORTION IS DEEMED TO BE THE RESPONSIBILITY OF THE
PATIENT, THE PROCESS TOWARD COLLECTIONS WILL BEGIN. A LETTER IS SENT TO
THE PATIENT FROM THE THIRD PARTY COMPANY. THE THIRD PARTY COLLECTION
COMPANY FOLLOWS LEGAL PROCEEDINGS AT THIS POINT.

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

SLV HEALTH SUBMITS MANY GRANTS EVERY YEAR TO IMPROVE COMMUNITY HEALTH.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

EACH GRANT INCLUDES A SUMMARY OF KNOWN HEALTH DATA TO JUSTIFY THE NEED FOR THE FUNDS. AS A CONSEQUENCE WE ARE VERY ATTUNED TO OUR COMMUNITY HEALTH NEEDS. THROUGH COMMUNICATION WITH PROVIDERS AND COMMUNITY NON-PROFITS, THIS NEED IS ADDRESSED AS REQUIRED. SAMPLE CURRENT AND PAST PROGRAMMING HAVE INCLUDED FREE COLONOSCOPIES, BREAST HEALTH RELATED TESTING, PSA TESTING AND MUCH MORE.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

SLV HEALTH PROVIDES A PATIENT FINANCIAL COUNSELOR WHO IDENTIFIES RESOURCES AND ELIGIBILITY ASSESSMENT FOR PROGRAMS THROUGH FEDERAL AND STATE GOVERNMENT PROGRAMS, AS WELL AS GRANT FUNDED PROGRAM. WE ALSO PROVIDE A SLIDING FEE SCALE FOR SERVICE FOR THOSE SELF PAY PATIENTS NOT FITTING WITHIN ANY OF THESE PROGRAMS. PAY PLANS ARE ALSO SET UP FOR SELF PAY PATIENTS.

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
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- 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.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

LOCATED IN SOUTH-CENTRAL COLORADO, THE SAN LUIS VALLEY (SLV) IS THE LARGEST AND HIGHEST VALLEY IN NORTH AMERICA, SURROUNDED BY THREE MOUNTAIN RANGES THAT EFFECTIVELY ISOLATE THE VALLEY FROM OTHER MEDICAL RESOURCES. THE SLV CONSISTS OF THREE RURAL AND THREE FRONTIER COUNTIES COVERING 8194 SQUARE MILES (2,000,000 ACRES), LARGER THAN THE STATE OF CONNECTICUT. FRONTIER AREAS, DEFINED AS COUNTIES HAVING A POPULATION DENSITY OF SIX OR FEWER PEOPLE PER SQUARE MILE, FACE CHALLENGES IN PROVIDING ACCESS TO HEALTH AND HUMAN SERVICES WHICH ARE EVEN GREATER THAN THE CHALLENGES FACED BY OTHER RURAL COMMUNITIES. FIVE OF THE SIX COUNTIES ARE FEDERALLY DESIGNATED AS A MEDICALLY UNDERSERVED AREA (AREAS/POPULATIONS THAT LACK ACCESS TO PRIMARY CARE SERVICES) AND ALL SIX COUNTIES ARE FEDERALLY DESIGNATED AS HEALTH PROFESSIONAL SHORTAGE AREAS (SHORTAGES OF PRIMARY MEDICAL CARE, DENTAL OR MENTAL HEALTH PROVIDERS).

THE SLV HAS A DIVERSE POPULATION OF 47,049, WITH 45% WHO IDENTIFY WITH A HISPANIC, LATINO, OR SPANISH ORIGIN [STATE DEMOGRAPHY OFFICE].

Part VI Supplemental Information

Provide the following information.

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ADDITIONALLY, THERE IS A LARGE POPULATION OF INDIGENT AND MIGRANT FARM WORKERS. PREDOMINANTLY AGRICULTURAL IN NATURE, THE SLV IS ONE OF THE POOREST AREAS IN COLORADO (CO) WITH 19% LIVING IN POVERTY, COMPARED TO 9.6% FOR THE ENTIRE STATE, AND THE MEDIAN HOUSEHOLD INCOME IS \$39,773, COMPARED TO \$68,811 FOR CO [US CENSUS 2014-2018]. CENSUS DATA ALSO STATES FIVE OF THE SIX SLV COUNTIES HAVE THE HIGHEST PERCENT OF RESIDENTS THAT SPEAK A LANGUAGE OTHER THAN ENGLISH (OVER 33%), COMPARED TO CO AT 17%. THE SLV'S UNINSURED RATE IS 13% COMPARED TO 8% FOR CO, AND 43% OF SLV RESIDENTS ARE ON MEDICAID, COMPARED TO 24% OF COLORADANS [COLORADO HEALTH INSTITUTE].

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

SLVH IS ACTIVE IN THE COMMUNITY AND SUPPORTS STAFF WHO PROVIDE COMMUNITY RESOURCES IN AREAS THAT INCLUDE HEALTH EDUCATION AND INFORMATION, PROMOTING SAFETY AND WELLNESS TO THE GENERAL POPULATION, AND SPONSORS BEHAVIORAL HEALTH SUPPORT GROUPS. HOSPITAL LEADERSHIP AND CLINICAL PROVIDERS CONDUCT HEALTH EDUCATION INFORMATION IN THE AREAS OF ADOLESCENT

Part VI Supplemental Information

Provide the following information.

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HEALTH, CARE FOR PATIENTS WITH DEMENTIA, SKIN CARE, AND WOMEN'S HEALTH.

SLVH STAFF ALSO PARTICIPATE IN COMMUNITY HEALTH INITIATIVES SUCH AS

ADOLESCENT PREVENTION COALITIONS, OPIOID USE/ABUSE TASK FORCE, A NEONATAL

TASK FORCE, COORDINATION OF HEALTH CARE SERVICES ACROSS THE CONTINUUM,

AND WORKFORCE DEVELOPMENT ISSUES. PATIENT AND FAMILY ADVISORY COUNCILS

HAVE ALSO BEEN ESTABLISHED TO BRING THE VOICE OF PATIENTS AND THEIR

FAMILIES INTO PROGRAM DESIGN AND IMPROVEMENT PROCESSES.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM:

SLV HEALTH HAS A PROFESSIONAL AFFILIATION WITH CENTURA HEALTH SYSTEMS TO

COORDINATE CARE FOR OUR SHARED PATIENTS.

SCHEDULE H, PART VI, LINE 7

DESCRIPTION OF STATE FILINGS:

SLV HEALTH FILES A COMMUNITY BENEFIT REPORT ANNUALLY WITH COLORADO.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

Complete if the organization answered "Yes" 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

2019

Open to Public
Inspection

Name of the organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number
84-0255530

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) ADAMS STATE UNIVERSITY FOUNDATION 208 EDMONT BLVD ALAMOSA, CO 81101	84-6027518	501(C)(3)	9,000.				EDUCATION
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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

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

Schedule I (Form 990) (2019)

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 non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

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

SCHEDULE I, PART I, LINE 2

ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS:

FUNDS ARE PROVIDED TO BE USED FOR DESIGNATED PURPOSES ONLY. ALL GRANTEEES

ARE SELECTED AND STRICTLY SCREENED BY THE MEDICAL CENTER. MULTI-YEAR

AGREEMENTS ARE MADE WITH THE RECIPIENT ORGANIZATIONS AND ARE EVALUATED ON

AN ANNUAL BASIS BEFORE FUNDING IS CONTINUED.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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 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

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?

3 Indicate which, if any, of the following the 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 type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input 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.

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

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2019

Schedule J (Form 990) 2019

Page **2****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 SUSAN GEIGER TRUSTEE, PHYSICIAN	(i)	124,973.	24,611.	0.	7,314.	0.	156,898.	
	(ii)	0.	0.	0.	0.	0.	0.	
2 DENNARD ELLISON TRUSTEE, PHYSICIAN	(i)	401,000.	10,000.	2,322.	14,000.	13,988.	441,310.	
	(ii)	0.	0.	0.	0.	0.	0.	
3 NUWAN PILAPITIYA TRUSTEE, PHYSICIAN	(i)	232,100.	5,775.	495.	11,839.	13,988.	264,197.	
	(ii)	0.	0.	0.	0.	0.	0.	
4 CARMELO HERNANDEZ CMO	(i)	303,462.	40,075.	2,322.	14,000.	14,095.	373,954.	
	(ii)	0.	0.	0.	0.	0.	0.	
5 KONNIE MARTIN CEO	(i)	371,013.	109,039.	2,322.	14,000.	14,188.	510,562.	
	(ii)	0.	0.	0.	0.	0.	0.	
6 SHANE MORTENSEN CFO	(i)	193,728.	38,611.	1,742.	11,617.	13,926.	259,624.	
	(ii)	0.	0.	0.	0.	0.	0.	
7 KELLY GALLEGOS CCH ADMINSTRATOR	(i)	159,148.	27,836.	483.	8,846.	13,573.	209,886.	
	(ii)	0.	0.	0.	0.	0.	0.	
8 ANTONIO GURULE CLINIC ADMINSTRATOR	(i)	166,628.	32,273.	1,461.	9,945.	7,250.	217,557.	
	(ii)	0.	0.	0.	0.	0.	0.	
9 CHRISTINE HETTINGER-HUN COO	(i)	142,575.	13,887.	1,212.	7,572.	13,778.	179,024.	
	(ii)	0.	0.	0.	0.	0.	0.	
10 JASON DEFEE PHYSICIAN	(i)	550,000.	28,250.	810.	14,000.	14,188.	607,248.	
	(ii)	0.	0.	0.	0.	0.	0.	
11 CARISSA TRIPI PHYSICIAN	(i)	515,000.	58,063.	540.	14,000.	13,188.	600,791.	
	(ii)	0.	0.	0.	0.	0.	0.	
12 MAUREEN COOPER PHYSICIAN	(i)	448,044.	22,402.	7,122.	14,000.	747.	492,315.	
	(ii)	0.	0.	0.	0.	0.	0.	
13 JULIAN MAENDEL PHYSICIAN	(i)	360,000.	68,983.	361.	14,000.	13,278.	456,622.	
	(ii)	0.	0.	0.	0.	0.	0.	
14 OLIVIER DE RAET PHYSICIAN	(i)	429,307.	23,000.	809.	14,000.	14,098.	481,214.	
	(ii)	0.	0.	0.	0.	0.	0.	
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Schedule J (Form 990) 2019

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.

SCHEDULE J, PART I, LINE 6A

ALL ORGANIZATIONAL OFFICERS, AS WELL AS DIRECTORS, ARE ELIGIBLE FOR
AN ANNUAL VARIABLE PAY BONUS BASED UPON A NUMBER OF MEASURES, ONE OF
THEM BEING THAT THE ORGANIZATION AS A WHOLE MEETS BUDGETED
PROFITABILITY.

SCHEDULE J, PART I, LINE 7

NON-FIXED PAYMENTS:

PHYSICIANS MAY EARN A PRODUCTIVITY BONUS. SENIOR MANAGEMENT IS ELIGIBLE
FOR ANNUAL VARIABLE PAY UP TO 35% FOR CEO AND 20% FOR ALL OTHER SENIOR
MANAGEMENT BASED UPON CRITERIA INCLUDING HOSPITAL WIDE MEASURES AND
POSITION SPECIFIC GOALS. VARIABLE PAY IS AWARDED AT THE DISCRETION OF THE
BOARD FOR THE CEO AND THE CEO FOR ALL OTHER SENIOR MANAGEMENT.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2019

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **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.**

Name of the organization **LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY**

Employer identification number
84-0255530

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.

Schedule L (Form 990 or 990-EZ) 2019

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DAVID GEIGER	SEE PART V	369,637.	EMPLOYMENT WAGES		X
(2) SUSAN GEIGER	SEE PART V	156,100.	EMPLOYMENT WAGES		X
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

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

SCHEDULE L, PART IV, COLUMN B

RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION:

BOARD MEMBER SUSAN GEIGER HAS A FAMILY RELATIONSHIP WITH FORMER INTERIM CHIEF MEDICAL OFFICER DAVID GEIGER, WHO RECEIVED EMPLOYMENT WAGES FROM THE ORGANIZATION DURING THE YEAR.

FORMER INTERIM CHIEF MEDICAL OFFICER DAVID GEIGER HAS A FAMILY RELATIONSHIP WITH BOARD MEMBER SUSAN GEIGER, WHO RECEIVED EMPLOYMENT WAGES FROM THE ORGANIZATION DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number
84-0255530

FORM 990, PART VI, SECTION A, LINE 2

FAMILY/BUSINESS RELATIONSHIPS:

BOARD OF DIRECTOR MEMBERS CHERI CROWDER AND PATRICK CROWDER HAVE A FAMILY
RELATIONSHIP.

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

PROCESS TO REVIEW THE FORM 990:

THE 990 IS PREPARED BY A THIRD PARTY ORGANIZATION, REVIEWED BY THE CFO
AND CEO, AND APPROVED BY THE FINANCE COMMITTEE. THE BOARD OF DIRECTORS IS
ALSO PROVIDED A COPY OF THE 990 FOR REVIEW PRIOR TO FILING WITH THE IRS.

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

PROCESS FOR MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY:

SAN LUIS VALLEY HEALTH HAS A CURRENT CONFLICT OF INTEREST POLICY THAT IS
REVIEWED ANNUALLY BY THE BOARD OF TRUSTEES AND THE CEO. THE REVIEW
PROCESS IS CONDUCTED FIRST WITH THE CEO AND THEN THE BOARD OF TRUSTEES.
WHEN NECESSARY, THE POLICY HAS BEEN REVIEWED BY LEGAL COUNSEL. EACH YEAR,
TRUSTEES ARE ASKED TO REVIEW THE POLICY AND CONFIRM AND AMEND ANY
POTENTIAL CONFLICT. THESE CONFLICTS ARE REVIEWED BY THE CEO AND THE
ENTIRE BOARD. CONFLICTS ARE ROUTINELY DISCUSSED AND ARE THE
RESPONSIBILITY OF ALL BOARD MEMBERS TO DISCLOSE; EITHER FOR THEMSELVES OR
OTHERS. THE BOARD CHAIRMAN WILL MAKE A DECISION AS TO THE NATURE OF THE
CONFLICT AND THE APPROPRIATE ACTION ACCORDING TO THE POLICY.

Name of the organization	LUTHERAN HOSPITAL ASSOC OF THE SAN LUIS VALLEY	Employer identification number	84-0255530
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FORM 990, PART VI, SECTION B, LINE 15A

REVIEW OF CEO OR TOP MANAGEMENT OFFICIAL COMPENSATION:

HUMAN RESOURCES PROVIDES THE EXECUTIVE COMMITTEE OF THE BOARD WITH SALARY SURVEY DATA FROM CHA, AHA, AND HFMA. AFTER STUDYING THE DATA, THE EXECUTIVE COMMITTEE MAKES RECOMMENDATIONS TO THE FULL BOARD IN EXECUTIVE SESSION. THE FULL BOARD APPROVES THE CEO'S COMPENSATION. SLVH CONDUCTS AN ANNUAL EVALUATION AND QUARTERLY REVIEWS OF THE CEO'S PERFORMANCE, WHICH IS DOCUMENTED. COMPENSATION FOR THE CEO IS DETERMINED ANNUALLY.

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

REVIEW OF OTHER OFFICER OR KEY EMPLOYEES COMPENSATION:

HUMAN RESOURCES GATHERS COMPENSATION SURVEY DATA FROM CHA, AHA, AND HFMA. HUMAN RESOURCES MAKES RECOMMENDATIONS FOR OTHER OFFICERS' COMPENSATION AND PROVIDES SURVEY DATA TO THE CEO. THE CEO PERFORMS EVALUATIONS AND DETERMINES ALL OF THE WAGE CHANGES FOR THE OTHER OFFICERS ON AN ANNUAL BASIS. ALL CHANGES ARE DOCUMENTED.

FORM 990, PART VI, SECTION C, LINE 19

DESCRIBE HOW GOVERNING DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC:

THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS

CHANGE IN INVESTMENT IN FOUNDATION (94,141)

Name of the organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEY

Employer identification number
84-0255530

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

AN UNCONDITIONAL COMMITMENT TO EXCELLENCE BY PROVIDING QUALITY,
COMPASSIONATE CARE GUIDED BY OUR VALUES. WE ACCEPT RESPONSIBILITY
FOR PROVIDING SERVICES TO OUR COMMUNITY THAT ARE OF THE HIGHEST
CALIBER OF SERVICE AND STANDARD PERFORMANCE, WHILE DEMONSTRATING
OUR ADOPTED VALUES.

ATTACHMENT 2

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

SAN LUIS VALLEY HEALTH WAS FORMED JULY 1, 2013. PRIOR TO THE
MERGER THAT CREATED SAN LUIS VALLEY HEALTH, THE HOSPITAL OPERATED
AS AN INDEPENDENT, NOT FOR PROFIT HOSPITAL FOR OVER 83 YEARS. THE
MERGER BROUGHT TOGETHER SAN LUIS VALLEY REGIONAL MEDICAL CENTER
AND CONEJOS COUNTY HOSPITAL. PRIOR TO THE MERGER, CONEJOS COUNTY
HOSPITAL HAD BEEN MANAGED BY SAN LUIS VALLEY REGIONAL MEDICAL
CENTER SINCE 2003. SLV HEALTH SERVES THE SIX COUNTIES OF THE SAN
LUIS VALLEY WITH A POPULATION OF JUST UNDER 50,000 AND AN AREA OF
OVER 8,200 SQUARE MILES; LARGER THAN THE STATE OF NEW JERSEY. SLV
HEALTH EMPLOYS OVER 650 EMPLOYEES AND IS THE LARGEST EMPLOYER IN
THE SAN LUIS VALLEY. THE TRUSTEES, PROVIDERS AND STAFF OF SLV
HEALTH ARE UNDERSTANDABLY PROUD OF THEIR TRADITION FOR PROVIDING
CARE AND SERVICE TO OUR COMMUNITIES. SERVING OUR LOW-INCOME
COMMUNITY MEANS THAT WE HAVE A CHALLENGING PAYER MIX WITH HIGH
MEDICAID, UNINSURED AND RELATIVELY LOW COMMERCIAL PERCENTAGES.
THIS HAS LED TO OUR ORGANIZATION BEING RESOURCEFUL, CREATIVE AND
INNOVATIVE IN ORDER TO CONTINUE SERVICE WITH POSITIVE OPERATING

Name of the organization	LUTHERAN HOSPITAL ASSOC OF THE SAN LUIS VALLEY	Employer identification number	84-0255530
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ATTACHMENT 2 (CONT'D)

MARGINS. OVER THE LAST TEN YEARS, OUR GROSS REVENUE HAS INCREASED FROM \$20M TO IN EXCESS OF \$100M AND THE NUMBER OF PATIENTS SERVED HAS EXPANDED SEVERAL FOLD. NEW SERVICES HAVE BEEN ADDED IN MEDICATION ONCOLOGY, INPATIENT REHABILITATION, SLEEP DISORDERS, WOMEN'S IMAGING CENTER, FIXED WING MEDICAL TRANSPORTATION, GENETIC COUNSELING, BEHAVIORAL HEALTH, CARDIOLOGY, CHIROPRACTIC, ONCOLOGY/INFUSION THERAPY, UROLOGY, AND MORE.

ATTACHMENT 3990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
VITALANT P.O. BOX 29650 PHOENIX, AZ 85038	MEDICAL SERVICES	359,044.
INNOVA EMERGENCY MEDICAL ASSOCIATES P.O. BOX 912601 DENVER, CO 80291	LOCUM PHYSICIANS	2,695,457.
JOHN W. GONZALES 104 PRICE ALAMOSA, CO 81101	SECURITY	306,638.
RAD IMAGE LLC P.O. BOX 63300 COLORADO SPRINGS, CO 80962	LOCUM PHYSICIANS	213,034.
ARUP LABORATORIES P.O. BOX 27964 SALT LAKE CITY, UT 84127	LAB SERVICES	163,248.

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

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

OMB No. 1545-0047

2019**Open to Public
Inspection**Name of the organization LUTHERAN HOSPITAL ASSOC OF THE SAN
LUIS VALLEYEmployer identification number
84-0255530**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) SAN LUIS VALLEY HEALTH FOUNDATION 20-3799814 106 BLANCA AVENUE ALAMOSA, CO 81101	FUNDRAISING	CO	501(C)(3)	LINE 7	SLVH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2019

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)												
(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)									
(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		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SAN LUIS VALLEY HEALTH FOUNDATION	C	280,339.	INTERCO AMOUNT
(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) 2019

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

San Luis Valley Health

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2020 and 2019

San Luis Valley Health

June 30, 2020 and 2019

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Independent Auditor's Report

Board of Trustees
San Luis Valley Health
Alamosa, Colorado

We have audited the accompanying consolidated financial statements of San Luis Valley Health (the Organization), which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in 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.

Board of Trustees
San Luis Valley Health

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2020 and 2019, and the results of their operations, changes in their net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 2 to the financial statements, in 2020, the Organization adopted Accounting Standards Update ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) and ASU 2016-18, *Statement of Cash Flows* (Topic 230). Our opinion is not modified with respect to these matters.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheets, statements of operations, and changes in net assets information listed in the table of contents is presented for purposes of additional analysis 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 information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BKD, LLP

Colorado Springs, Colorado
December 10, 2020

San Luis Valley Health
Consolidated Balance Sheets
June 30, 2020 and 2019

Assets

	2020	2019
Current Assets		
Cash and cash equivalents	\$ 27,516,313	\$ 11,733,183
Assets held for others	98,222	207,900
Certificates of deposit	27,584	27,584
Patient accounts receivable	10,412,559	10,722,991
Other accounts receivable	1,135,062	1,528,962
Supplies	2,319,930	2,030,690
Prepaid expenses and other	2,563,035	2,214,947
	<hr/>	<hr/>
Total current assets	44,072,705	28,466,257
	<hr/>	<hr/>
Assets Limited as to Use		
Internally designated for capital improvements and other purposes	23,539,685	23,001,288
Internally designated for scholarships	1,020,926	981,586
Externally restricted	1,316,571	1,150,126
	<hr/>	<hr/>
Total assets limited as to use	25,877,182	25,133,000
	<hr/>	<hr/>
Interest in Net Assets of the Foundation	283,214	377,355
	<hr/>	<hr/>
Property and Equipment, at Cost		
Land and land improvements	8,955,580	8,944,312
Buildings and leasehold improvements	59,160,035	48,250,838
Equipment	23,685,876	26,512,030
Construction in progress	2,333,711	6,928,564
	<hr/>	<hr/>
	94,135,202	90,635,744
Less accumulated depreciation	45,624,087	46,126,069
	<hr/>	<hr/>
Total property and equipment, at cost	48,511,115	44,509,675
	<hr/>	<hr/>
Other Assets	6,206,057	5,100,323
	<hr/>	<hr/>
Total assets	<u>\$ 124,950,273</u>	<u>\$ 103,586,610</u>

San Luis Valley Health
Consolidated Balance Sheets (continued)
June 30, 2020 and 2019

Liabilities and Net Assets

	2020	2019
Current Liabilities		
Current maturities of long-term debt	\$ 1,499,081	\$ 1,252,142
Assets held for others	98,222	207,900
Accounts payable	3,380,066	3,850,456
Accrued expenses	6,050,040	5,027,971
Unearned grant revenue	9,190,385	855,563
Accelerated Medicare payments	12,063,247	-
Estimated amounts due to third-party payers	3,188,648	2,484,236
	<hr/>	<hr/>
Total current liabilities	35,469,689	13,678,268
Long-term Debt, Net of Financing Costs	19,846,381	21,413,391
Asset Retirement Obligation	270,531	270,531
	<hr/>	<hr/>
Total liabilities	55,586,601	35,362,190
	<hr/>	<hr/>
Net Assets		
Without donor restrictions	69,080,458	67,847,065
With donor restrictions	283,214	377,355
	<hr/>	<hr/>
Total net assets	69,363,672	68,224,420
	<hr/>	<hr/>
Total liabilities and net assets	<u><u>\$ 124,950,273</u></u>	<u><u>\$ 103,586,610</u></u>

San Luis Valley Health
Consolidated Statements of Operations
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues, Gains and Other Support Without Donor Restrictions		
Patient service revenue	\$ 96,028,710	\$ 98,797,808
Ambulance District revenue	597,908	417,480
Contributions	2,496,310	649,705
Gain on sale of property and equipment	-	14,704
Other	<u>3,446,666</u>	<u>3,381,078</u>
Total revenues, gains and other support without donor restrictions	<u>102,569,594</u>	<u>103,260,775</u>
Expenses		
Salaries and benefits	60,431,587	56,411,128
Purchased services and professional fees	8,361,130	8,756,541
Depreciation	3,641,993	3,038,728
Provider fee	4,615,741	4,618,973
Interest expense	510,920	710,895
Supplies, minor equipment, repairs and other	20,178,002	19,092,118
Other operating costs	<u>4,610,817</u>	<u>4,705,306</u>
Total expenses	<u>102,350,190</u>	<u>97,333,689</u>
Operating Income	219,404	5,927,086
Other Income		
Investment return, net	<u>597,434</u>	<u>621,713</u>
Excess of Revenues Over Expenses	816,838	6,548,799
Grants for purchase of property and equipment	<u>416,555</u>	<u>50,457</u>
Increase in Net Assets Without Donor Restrictions	<u><u>\$ 1,233,393</u></u>	<u><u>\$ 6,599,256</u></u>

San Luis Valley Health
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2020 and 2019

	2020	2019
Net Assets Without Donor Restrictions		
Excess of revenues over expenses	\$ 816,838	\$ 6,548,799
Grants for purchase of property and equipment	<u>416,555</u>	<u>50,457</u>
Increase in net assets without donor restrictions	<u>1,233,393</u>	<u>6,599,256</u>
Net Assets With Donor Restrictions		
Net change in investment in the Foundation	<u>(94,141)</u>	<u>17,440</u>
Increase (decrease) in net assets with donor restrictions	<u>(94,141)</u>	<u>17,440</u>
Change in Net Assets	1,139,252	6,616,696
Net Assets, Beginning of Year	<u>68,224,420</u>	<u>61,607,724</u>
Net Assets, End of Year	<u><u>\$ 69,363,672</u></u>	<u><u>\$ 68,224,420</u></u>

San Luis Valley Health
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 1,139,252	\$ 6,616,696
Items not requiring (providing) cash		
Depreciation	3,641,993	3,038,728
Amortization of debt issuance costs to interest expense	56,761	56,761
Loss (gain) on disposal of assets	8,718	(14,704)
Realized and unrealized gain on investments	(255,875)	(315,764)
Grants for acquisition of property and equipment	(416,555)	-
Undistributed portion of change in interest in net assets of the Foundation	94,141	(17,440)
Changes in		
Patient accounts receivable	310,432	(440,733)
Estimated amounts due from third-party payers	704,412	(1,273,963)
Supplies	(289,240)	(81,243)
Prepaid expenses and other assets	(348,088)	271,937
Other accounts receivable	393,900	273,713
Accounts payable, accrued expenses and unearned revenue	9,191,030	(371,524)
Accelerated Medicare payments	12,063,247	-
Assets held for others	(109,678)	13,689
Net cash provided by operating activities	<u>26,184,450</u>	<u>7,756,153</u>
Investing Activities		
Purchase of investments	(3,770,049)	(2,133,043)
Proceeds from disposition of investments	3,466,500	1,871,869
Proceeds from sale of property and equipment	-	27,699
Purchase of property and equipment	(7,956,680)	(9,744,050)
Purchase of other intangible assets	(1,105,734)	-
Net cash used in investing activities	<u>(9,365,963)</u>	<u>(9,977,525)</u>
Financing Activities		
Grants for acquisition of property and equipment	416,555	-
Principal payments on long-term debt	(1,196,548)	(565,579)
Payments on capital lease obligations	(180,284)	(205,618)
Net cash used in financing activities	<u>(960,277)</u>	<u>(771,197)</u>
Increase (Decrease) in Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents	15,858,210	(2,992,569)
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Beginning of Year	<u>20,925,162</u>	<u>23,917,731</u>
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, End of Year	<u><u>\$ 36,783,372</u></u>	<u><u>\$ 20,925,162</u></u>
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	<u>\$ 510,920</u>	<u>\$ 710,895</u>
Property and equipment included in accounts payable	<u>\$ 529,816</u>	<u>\$ 834,345</u>

San Luis Valley Health
Consolidated Statements of Cash Flows (continued)
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents to the Consolidated Balance Sheets		
Cash and cash equivalents	\$ 27,516,313	\$ 11,733,183
Assets held for others	98,222	207,900
Cash and cash Equivalents Within Assets Limited as to Use		
Internally designated for capital improvements and other purposes	7,356,812	7,338,377
Internally designated for scholarships	495,454	495,576
Externally restricted	<u>1,316,571</u>	<u>1,150,126</u>
 Total cash, cash equivalents, restricted cash and restricted cash equivalents in the consolidated statements of cash flows	 <u><u>\$ 36,783,372</u></u>	 <u><u>\$ 20,925,162</u></u>

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The accompanying financial statements include the Lutheran Hospital Association of the San Luis Valley d/b/a San Luis Valley Health Regional Medical Center (the Medical Center), which operates a 49-bed acute care hospital in Alamosa, Colorado, and San Luis Valley Health Conejos County Hospital (Conejos County Hospital), which operates a 17-bed critical access hospital in La Jara, Colorado. Lutheran Hospital Association of the San Luis Valley is a Colorado not-for-profit organization which owns the buildings and equipment of both facilities. It also owns and operates five clinics in Alamosa, Antonito, La Jara and Monte Vista, Colorado. The clinics in La Jara, Monte Vista and Antonito are provider based rural health clinics. The affairs of these organizations have been consolidated in these financial statements and supplemental schedules as the Medical Center. The Medical Center primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in the San Luis Valley.

The consolidated operations of the Medical Center and Conejos County Hospital are referred to as the Organization.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Lutheran Hospital Association of the San Luis Valley d/b/a San Luis Valley Health Regional Medical Center, and San Luis Valley Health Conejos County Hospital. The entities operate under the same Board of Trustees. All material intercompany accounts and transactions have been eliminated in consolidation.

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 financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including assets limited as to use, are not considered to be cash and cash equivalents. Deposit accounts restricted internally by the Board or externally by regulators are considered to be cash and cash equivalents. At June 30, 2020 and 2019, cash equivalents consisted primarily of money market accounts with brokers.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

At June 30, 2020, the Organization's cash accounts exceeded federally insured limits by approximately \$35,833,000.

Assets Limited as to Use

Assets limited as to use consist of (1) assets set aside by the Board of Trustees for future capital improvements and scholarships over which the board retains control and may, at its discretion, subsequently use the assets for other purposes and (2) assets held by trustees under mortgage note agreements.

Patient Accounts Receivable

Patient accounts receivable reflects the outstanding amount of consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others. As a service to the patient, the Organization bills third-party payors directly and bills the patient when the patient's responsibility for co-pays, coinsurance and deductibles is determined. Patient accounts receivable are due in full when billed.

Supplies

The Organization states supply inventories at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Debt Investments

Debt securities held by the Organization generally are classified and recorded in the consolidated financial statements as follows:

Classified as	Description	Recorded at
Trading	Securities that are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time	Fair value, with changes in fair value included in excess revenues over expenses

Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Equity Investments

The Organization measures equity securities, other than investments that qualify for the equity method of accounting, at fair value with changes recognized in excess revenues over expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Net Investment Return

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of operations and changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Interest in Net Assets of the San Luis Valley Health Foundation

San Luis Valley Health Foundation (the Foundation) and the Medical Center are financially interrelated. The mission of the Foundation is to support the health care services of the Medical Center and the communities it serves. The Medical Center accounts for its interest in the net assets of the Foundation in a manner similar to the equity method. The interest is stated at fair value, and changes in the interest are included in the changes in net assets. Transfers of assets between the Foundation and the Medical Center are recognized as increases and decreases in the interest. Cash held by the Medical Center on behalf of the Foundation is included in assets held for others on the consolidated balance sheets. Funds are distributed to the Medical Center as determined by the Foundation's Board of Directors. At June 30, 2020 and 2019, \$283,214 and \$377,355, respectively, was recognized as the Medical Center's interest in the net assets of the Foundation, which includes contributions received by the Foundation that are donor-restricted, to be used for the Medical Center's purposes. The Organization received transfers of approximately \$285,000 and \$150,000 from the Foundation during the years ended June 30, 2020 and 2019, respectively. Transfers are to be used for program support, which is included in the Organization's consolidated statements of operations as contribution revenue.

Assets Held for Others

Cash held by the Medical Center on behalf of the Foundation and Conejos County Hospital Foundation is included in assets held for others on the consolidated balance sheets. The balances of assets held for others for the years ended June 30, 2020 and 2019 were \$98,222 and \$207,900, respectively.

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and leasehold improvements	15-40 years
Equipment	3-20 years

Donations of property and equipment are reported at fair value as an increase in net assets without donor restrictions unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in net assets without donor restrictions when the donated asset is placed in service.

The Organization capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project and on the weighted-average rates paid for long-term borrowing for other projects.

Long-lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized for the years ended June 30, 2020 and 2019.

Other Assets

Other long-term assets consists primarily of internal use software under a contract with Meditech. The software was recorded based upon the discounted cash flows of the payments to acquire. The asset is being amortized over a period of five years.

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. The Organization records these costs as direct deductions from the related debt. Such costs are being amortized to interest expense over the term of the respective debt using the straight-line method.

Accelerated Medicare Payments

During the year ended June 30, 2020, the Organization requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request advance Medicare payments in response to the COVID-19 pandemic. These amounts are expected to be recaptured by Centers for Medicare Services (CMS) according to the payback provisions.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Unearned Grant Revenue

Refundable advances received through the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) where conditions have not been met to record revenue.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for capital improvements, scholarships and other.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Patient Service Revenue

Patient service revenue is recognized as the Organization satisfies performance obligations under its contracts with patients. Patient service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policies and implicit price concessions provided to uninsured patients.

The Organization determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies and historical experience by payor groups. The Organization determines its estimate of implicit price concessions based on its historical collection experience by classes of patients. The estimated amounts also include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations by third-party payors.

Charity Care

The Organization provides care without charge at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The Organization estimates the direct and indirect costs of providing charity care by applying the ratio of cost to gross charges to the gross uncompensated care. The Organization's direct and indirect costs for services furnished under its charity care policy were approximately \$1,179,000 and \$1,341,000 in 2020 and 2019, respectively.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Colorado Healthcare Accountability and Sustainability Enterprise – Provider Fee

The Colorado Health Care Affordability Act (the Act) designated as House Bill 1293 (HB1293), was signed into law in April 2009 and was approved by the Centers for Medicare and Medicaid Services (CMS) in March 2010. HB 1293 was superseded by Senate Bill 17-267 which create the Colorado Healthcare Accountability and Sustainability Enterprise (CHASE). The Act authorizes the Department of Health Care Policy and Financing (HCPF) to collect a healthcare affordability and sustainability fee, from Colorado Hospital providers, that functions similarly to the repealed hospital provider fee. The purpose of the fee is to increase payments to hospitals and expand coverage under Colorado public health care programs. The fee is matched with federal funds and redistributed to Colorado hospitals.

Excess of Revenues Over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include assets acquired using contributions or grants which by donor restriction were to be used for the purpose of acquiring such assets.

Self-insurance

The Organization has elected to self-insure certain costs related to employee health programs. Costs resulting from noninsured losses are charged to income when incurred. Self-insurance is described more fully in Note 10.

Professional Liability Claims

The Organization recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in Note 11.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Colorado law. However, the Organization would be subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period beginning date.

COVID-19 Pandemic and CARES Act Funding

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. Patient volumes and the related revenues for most of the Organization's services were significantly impacted by COVID-19 as various policies were implemented by federal, state and local governments in response to the pandemic that have caused many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective surgical procedures by health care facilities.

While some of these policies have been eased and states have lifted moratoriums on non-emergent procedures, some restrictions remain in place, and some state and local governments are re-imposing certain restrictions due to increasing rates of COVID-19 cases.

Starting in late-March, the Organization began deferring all nonessential medical and surgical procedures and suspended elective procedures.

The Organization's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Organization has taken precautionary steps to enhance its operational and financial flexibility and react to the risks the COVID-19 pandemic presents to its business.

The extent of the COVID-19 pandemic's adverse impact on the Organization's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Organization's control and ability to forecast. Such factors include, but are not limited to, the scope and duration of stay-at-home practices and business closures and restrictions, government-imposed or recommended suspensions of elective procedures, continued declines in patient volumes for an indeterminable length of time, increases in the number of uninsured and underinsured patients as a result of higher sustained rates of unemployment, incremental expenses required for supplies and personal protective equipment, and changes in professional and general liability exposure.

Because of these and other uncertainties, the Organization cannot estimate the length or severity of the impact of the pandemic on the Organization's business. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including estimated implicit price concessions related to uninsured patient accounts, and potential impairments of assets.

San Luis Valley Health

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Provider Relief Funds

During the year ended June 30, 2020, the Organization received approximately \$10,300,000 from the \$50 billion general distribution fund and targeted distributions from the CARES Act Provider Relief Fund (collectively the Provider Relief Fund). These distributions from the Provider Relief Fund are not subject to repayment, provided the Organization is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19.

The Organization has elected to account for such payments as conditional contributions in accordance with ASC Topic 958-605, *Revenue Recognition*. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been substantially met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the impact of the pandemic on the Organization's revenues and expenses through June 30, 2020, the Organization recognized approximately \$1,539,000, related to the distributions from the Provider Relief Funds, and these payments are recorded as contribution revenue in the accompanying consolidated statements of operations. The unrecognized amount of distributions from the Provider Relief Funds are recorded as unearned grant revenue in the accompanying consolidated balance sheets.

Subsequent to year-end, HHS issued guidance on the use of payments from the Provider Relief Fund. The Organization considers the guidance issued subsequent to year-end to be substantive changes in guidance rather than clarifications of guidance existing at June 30, 2020. As a result, the amounts recorded in the financial statements compared to the Hospital's Provider Relief Fund reporting could differ. The Organization has estimated an additional approximately \$3,200,000 to be recognized in 2021 out of the amounts held in unearned grant revenue at June 30, 2020.

The Organization's management will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the impact of the pandemic on the Organization's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the Organization is unable to attest to or comply with current or future terms and conditions, the ability to retain some or all of the distributions received may be impacted. The Provider Relief Funds are subject to government oversight, including potential audits.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 financial statement presentation. These reclassifications had no effect on the change in net assets.

Revisions

Certain revisions have been made to the 2019 financial statements regarding the change in interpretation of the Meditech contract for internal use software. These revisions resulted in no change to total current or long-term assets or liabilities and no change in the consolidated statements of operations or cash flows. This revision did not have a significant impact on the consolidated financial statements.

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Note 2: Change in Accounting Principles

ASU 2014-09, Topic 606 Revenue from Contracts with Customers

On July 1, 2019, the Organization adopted Topic 606, *Revenue from Contracts with Customers (Topic 606)*, using a full retrospective method of adoption to all contracts with patients at July 1, 2018.

The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to patients in amounts that reflect the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The amount to which the Organization expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing patient services to its patients.

Adoption of Topic 606 resulted in changes in presentation of financial statements and related disclosures in the notes to the consolidated financial statements. Because contracts are generally completed within a year, the Organization used the actual transaction price rather than estimating variable consideration amounts for contracts completed during the year ended June 30, 2019.

Prior to the adoption of Topic 606, the majority of the provision for doubtful accounts related to patients without insurance, as well as patient responsibility balances for co-pays, co-insurance and deductibles for patients with insurance. Under Topic 606, the estimated amounts due from patients for which the Organization does not expect to be entitled or collect from the patients are considered implicit price concessions and excluded from the Organization's estimation of the transaction price or revenue recorded.

The following table presents the related effect of the adoption of Topic 606 on the consolidated statement of operations for the year ended June 30, 2019:

June 30, 2019			
	As Previously Reported	As Adjusted	Adoption Impact
Revenues, Gains and Other Support Without Donor Restrictions			
Patient service revenue (net of contractual discounts and allowances)	\$ 104,350,715		\$(104,350,715)
Provision for uncollectible accounts	<u>(5,552,907)</u>		<u>5,552,907</u>
Net patient service revenue, less provision for uncollectible accounts	<u>\$ 98,797,808</u>	<u>\$ 98,797,808</u>	<u>\$ -</u>

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The adoption had no impact on operating income, overall change in net assets or net cash provided by operating activities (see table below for the changes to the consolidated statement of cash flows for the year ended June 30, 2019).

ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash

In 2020, the Organization adopted the provisions of Accounting Standards Update No. 2016-18 (ASU 2016-18), *Statement of Cash Flows (Topic 230): Restricted Cash*. The new accounting guidance in ASU 2016-18 requires balances generally described as restricted cash or restricted cash equivalents to be included with cash and cash equivalents when reconciling beginning and end of period balances on the statements of cash flows. Clarifying language was added to Note 1 of the financial statements to define restricted cash and cash equivalents. This change was applied retrospectively to all periods presented.

The following table presents the related effect of the adoption of ASU 2016-18 (Topic 230) and ASU 2014-09 (Topic 606) on the consolidated statement of cash flows for the year ended June 30, 2019:

June 30, 2019				
	As Previously Reported	As Adjusted	Adoption Impact	Standard
Consolidated Statements of Cash Flows				
Operating Activities				
Items not requiring (providing) cash				
Provision for uncollectible accounts	\$ 5,552,907	\$ -	\$ (5,552,907)	ASU 2014-09
Changes in				
Net patient accounts receivable	(5,993,640)	(440,733)	5,552,907	ASU 2014-09
Assets held for others	<u>-</u>	<u>13,689</u>	<u>13,689</u>	ASU 2016-18
Net cash provided by operating activities	<u>7,742,464</u>	<u>7,756,153</u>	<u>13,689</u>	
Investing Activities				
Purchase of investments	(2,901,290)	(2,133,043)	768,247	ASU 2016-18
Proceeds from disposition of investments	<u>2,914,076</u>	<u>1,871,869</u>	<u>(1,042,207)</u>	ASU 2016-18
Net cash used in investing activities	<u>(9,703,565)</u>	<u>(9,977,525)</u>	<u>(273,960)</u>	
Decrease in Cash and Cash Equivalents	<u>(2,732,298)</u>	<u>(2,992,569)</u>	<u>(260,271)</u>	
Cash and Cash Equivalents, Beginning of Year	<u>14,465,481</u>	<u>23,917,731</u>	<u>9,452,250</u>	
Cash and Cash Equivalents, End of Year	<u>\$ 11,733,183</u>	<u>\$ 20,925,162</u>	<u>\$ 9,191,979</u>	

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ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Made

The Financial Accounting Standards Board (FASB) issued ASU2018-08, *Not-for-Profit Entities (Topic 958-605)*, that became effective for the Organization on July 1, 2019. It clarifies definitions and application regarding exchange transactions vs. contributions and conditional vs. unconditional contributions. The Organization has adopted the ASU using a modified prospective method and applied it to agreements that either were not completed as of July 1, 2019 or were entered into after that date. Per the FASB requirement, no prior-period results were restated, and no cumulative-effect adjustments to opening net assets were made.

ASU No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities

In 2020, the Organization changed its accounting policy on financial assets and liabilities by adopting the provisions of ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The new accounting guidance in ASU 2016-01 (1) requires companies to recognize changes in fair value of equity investments through net income. Due to the classification of the Organizations investment portfolio, this change had no impact on the consolidated financial statements.

Note 3: Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Organization receiving inpatient acute care services or patients receiving services in its outpatient centers. The Organization measures the performance obligation from inpatient admission, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to its patients and customers in a retail setting (for example, pharmaceuticals

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and medical equipment) and the Organization does not believe it is required to provide additional goods related to the patient.

Transaction Price

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Third-party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge and cost. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient nonacute services, certain outpatient services and defined capital costs related to Medicare beneficiaries are paid based on a combination of fee schedules and a cost reimbursement methodology. The Organization is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicare fiscal intermediary. Under this system, payments to the Organization are based on a predetermined package rate based on services provided to patients.

Medicaid. Inpatient acute care services rendered to Medicaid 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. Inpatient nonacute services, certain outpatient services and defined capital costs related to Medicaid beneficiaries are paid based on a cost reimbursement methodology. The Organization is reimbursed for cost-reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicaid fiscal intermediary.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

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Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known based on newly available information or as years are settled or are no longer subject to such audits, reviews and investigations.

Refund Liabilities

From time to time the Organization will receive overpayments of patient balances from third-party payors or patients resulting in amounts owed back to either the patients or third-party payors. These amounts are excluded from revenues and are recorded as liabilities in accounts payable until they are refunded.

Patient and Uninsured Payors

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

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Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Revenue Composition

The Organization has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, other insurance, patient) have different reimbursement and payment methodologies
- Length of the patient's service
- Organization's line of business that provided the service (for example, hospital inpatient, hospital outpatient, physician services, etc.)

Substantially all of the Organization's revenue is recognized over time.

Note 4: Concentrations of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at June 30 was:

	2020	2019
Medicare	31%	23%
Medicaid	9%	11%
Commercial insurers	50%	50%
Patients	10%	16%
	<u>100%</u>	<u>100%</u>

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Note 5: Assets Limited as to Use and Investments and Investment Return

Assets Limited as to Use

Assets limited as to use include:

	2020	2019
Internally designated for capital improvements and other purposes		
Cash and cash equivalents	\$ 7,356,812	\$ 7,338,377
Cash and cash equivalents held in investment portfolio	115,945	71,573
Certificates of deposit	1,322,768	1,307,408
Mutual funds	2,185,061	2,052,679
Municipal bonds	2,575,000	3,575,000
Mortgage backed securities – government agencies	144	498
U.S. agencies and instrumentalities	9,971,955	8,643,653
Investment in Colorado network	12,000	12,000
VHA reciprocal risk group investment	-	100
	<u>\$ 23,539,685</u>	<u>\$ 23,001,288</u>
Internally designated for scholarships		
Cash and cash equivalents	\$ 495,454	\$ 495,576
Exchange-traded fund	525,472	486,010
	<u>\$ 1,020,926</u>	<u>\$ 981,586</u>
Externally restricted		
Cash and cash equivalents	<u>\$ 1,316,571</u>	<u>\$ 1,150,126</u>

Total investment return is comprised of the following:

	2020	2019
Interest and dividend income	\$ 341,559	\$ 305,949
Realized and unrealized gains on trading securities	255,875	315,764
Net change in investment in the Foundation	<u>(94,141)</u>	<u>17,440</u>
	<u>\$ 503,293</u>	<u>\$ 639,153</u>

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Total investment return is reflected in the consolidated statements of operations and changes in net assets as follows:

	2020	2019
Net assets without donor restrictions		
Investment return, net	\$ 597,434	\$ 621,713
Net assets with donor restrictions		
Net change in investment in the Foundation	(94,141)	17,440
	<u>\$ 503,293</u>	<u>\$ 639,153</u>

Note 6: Long-term Debt

Long-term debt consists of the following:

	2020	2019
Capital lease obligations (A)	\$ 268,262	\$ 448,547
Mortgage note (B)	18,494,523	19,083,144
Note payable (C)	3,727,349	4,335,275
	22,490,134	23,866,966
Less unamortized debt issue costs	1,144,672	1,201,433
Less current maturities	1,499,081	1,252,142
	<u>\$ 19,846,381</u>	<u>\$ 21,413,391</u>

- (A) Capital lease obligations at varying imputed interest rates, from 1.5% up to 4.0%, due through March 2024. Collateralized by property and equipment. Property and equipment include the following property under capital leases:

	2020	2019
Equipment	\$ 583,079	\$ 1,208,061
Less accumulated depreciation	330,540	774,253
	<u>\$ 252,539</u>	<u>\$ 433,808</u>

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- (B) During 2016, the Organization received approval for a \$21,175,000 mortgage note to be utilized to pay off series 2005 and 2007 Bonds, notes payable, terminate the fair value swap, and repairs of the hospital facility. The terms of the loans include interest at a fixed rate of 4.0% with principal and interest payments of \$111,782 due monthly through August 1, 2040. The note is insured by United States Department of Housing and Urban Development. Unamortized debt issuance costs based on an imputed interest rate of 4.67% were \$1,144,672 and \$1,201,433 at June 30, 2020 and 2019, respectively.
- (C) During 2019, the Organization signed a contract with Meditech for internal-use software. The terms of the contract include an imputed interest rate of 8.0% with principal and interest payments of \$87,904 due monthly through August 30, 2024.

Aggregate annual maturities of long-term debt and payments on capital lease obligations at June 30, 2020 are:

	Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2021	\$ 1,397,667	\$ 109,603
2022	1,487,721	64,171
2023	1,584,286	64,171
2024	1,687,771	48,128
2025	893,323	-
Thereafter	<u>15,171,104</u>	<u>-</u>
	<u><u>\$ 22,221,872</u></u>	286,073
Less amount representing interest		<u>17,811</u>
Present value of future minimum lease payments		<u><u>\$ 268,262</u></u>

In March 2020, the Organization entered in to a \$3,000,000 revolving line of credit expiring in 2021. At June 30, 2020, there was no amount borrowed or outstanding against this line. The line is collateralized by substantially all of the Organization's assets. Interest varies with The Wall Street Prime Rate.

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Note 7: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods at June 30 as shown below:

	<u>2020</u>	<u>2019</u>
Investment in San Luis Valley Health Foundation to be used for hospital programs	<u>\$ 283,214</u>	<u>\$ 377,355</u>

Net Assets Without Donor Restrictions

Net assets without donor restrictions are designated at June 30 as shown below:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 44,519,847	\$ 43,864,191
Board-designated - capital projects and other	23,539,685	23,001,288
Board-designated - scholarships	<u>1,020,926</u>	<u>981,586</u>
Total	<u>\$ 69,080,458</u>	<u>\$ 67,847,065</u>

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Note 8: Liquidity and Availability

The Organization's financial assets available within one year of the consolidated balance sheets date for general expenditure are:

	2020	2019
Financial assets at year-end		
Cash and cash equivalents	\$ 27,516,313	\$ 11,733,183
Certificates of deposit	27,584	27,584
Patient accounts receivable, net	10,412,559	10,722,991
Other accounts receivable	1,135,062	1,528,962
Internally designated assets limited as to use	<u>24,560,611</u>	<u>23,982,874</u>
 Total financial assets	 <u>63,652,129</u>	 <u>47,995,594</u>
 Less internally designated assets limited as to use	 <u>24,560,611</u>	 <u>23,982,874</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 39,091,518</u>	 <u>\$ 24,012,720</u>

The Organization has assets limited as to use consisting of certain board-designated assets, assets limited for donor-restricted purposes, and debt service. These assets limited as to use, which are more fully described in Notes 1 and 5, are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Cash is diversified among various financial institutions within the community to limit exposure and/or loss. Cash balances in all accounts is monitored on a daily basis by the finance team and on a weekly basis by senior team. The Organization attempts to move excess cash into temporary investments as necessary.

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Note 9: Functional Expenses

The Organization provides general health care services to residents within its geographic location, including pediatric care, cardiac intensive care, and outpatient surgery. Certain costs attributable to more than one function have been allocated among the health care services, general and administrative and fundraising functional expense classifications based on FTE counts, square feet, and other methods. The following schedules presents the natural classification of expenses by function as follows:

2020				
	Health care services	General and administrative	Fundraising	Total
Salaries and benefits	\$ 46,942,208	\$ 13,234,675	\$ 254,704	\$ 60,431,587
Purchased services and professional fees	5,631,858	2,726,366	2,906	8,361,130
Depreciation	2,549,396	1,092,597	-	3,641,993
Provider fee	4,615,741	-	-	4,615,741
Interest expense	392,496	118,424	-	510,920
Supplies, minor equipment, repairs and other	16,802,883	3,365,392	9,727	20,178,002
Other operating costs	809,085	3,646,981	154,751	4,610,817
Total expenses	<u>\$ 77,743,667</u>	<u>\$ 24,184,435</u>	<u>\$ 422,088</u>	<u>\$ 102,350,190</u>

2019				
	Health care services	General and administrative	Fundraising	Total
Salaries and benefits	\$ 43,668,687	\$ 12,461,636	\$ 280,805	\$ 56,411,128
Purchased services and professional fees	5,902,447	2,849,541	4,553	8,756,541
Depreciation	2,127,110	911,618	-	3,038,728
Provider fee	4,618,973	-	-	4,618,973
Interest expense	497,626	213,269	-	710,895
Supplies, minor equipment, repairs and other	15,354,448	3,701,689	35,981	19,092,118
Other operating costs	662,695	3,808,830	233,781	4,705,306
Total expenses	<u>\$ 72,831,986</u>	<u>\$ 23,946,583</u>	<u>\$ 555,120</u>	<u>\$ 97,333,689</u>

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Note 10: Self-insured Health Care Plan

The Organization sponsors a health care plan for its employees. The plan has purchased reinsurance for the payment of individual claims in excess of \$70,000.

Activity in the Organization's accrued self-insured health insurance claims liability during the years ended June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Balance, beginning of year	\$ 685,303	\$ 1,100,000
Current year claims incurred and changes in estimates for claims incurred in prior years	5,382,756	3,850,222
Claims and expenses paid	<u>(4,763,581)</u>	<u>(4,264,919)</u>
Balance, end of year	<u>\$ 1,304,478</u>	<u>\$ 685,303</u>

Note 11: Medical Malpractice Claims

Effective April 1, 2004, the Medical Center entered into a captive insurance arrangement with VHA Mountain States Reciprocal Risk Retention Group (the Group) to purchase malpractice insurance coverage under a claims-made policy. The provider for medical malpractice insurance coverage is UMIA Insurance, Inc. The Medical Center pays estimated premiums prior to the effective date of the policy and the premiums are adjusted at the end of the policy period when complete information is available. The premiums paid during fiscal years 2020 and 2019 were \$392,116 and \$321,684, net of subscriber savings allocations of \$(23,099) and \$(26,760), respectively. The Medical Center is not aware of any unasserted claims, unreported incidents, or claims outstanding that are expected to exceed malpractice insurance coverage limits as of June 30, 2020.

Effective January 1, 2012, Conejos County Hospital is covered under the Medical Center's captive insurance arrangement with the Group. The premiums paid by Conejos County Hospital to the Medical Center during fiscal years 2020 and 2019 were \$37,903 and \$58,713, respectively. As Conejos County Hospital is covered under the Medical Center policy, they were not required to make an initial investment, nor do they have a subscriber savings account. Conejos County Hospital is not aware of any unasserted claims, unreported incidents, or claims outstanding that are expected to exceed malpractice insurance coverage limits as of June 30, 2020. Conejos County Hospital records claim liabilities and expected recoveries at the gross amounts.

The Organization records claim liabilities and expected recoveries at the gross amounts. The Organization recorded \$0 and \$5,000 of additional professional liability reserves and insurance coverage receivables, as of June 30, 2020 and 2019, respectively, which are included in the consolidated balance sheets.

Based upon the Organization's claims experience, an accrual has been made for the Organization's portion of medical malpractice costs related to its deductible under its malpractice insurance policy. It is reasonably possible that this estimate could change materially in the near term.

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Note 12: Retirement Plans

The Organization has a defined-contribution retirement plan (the Plan), which covers all employees. The Plan consists of a 403(b) plan and a 401(a) plan. Contributions to the 403(b) plan equal up to 2% of an employee's contributions, and contributions to the 401(a) plan equal 3% of eligible employees' salaries. The Medical Center contributions to the Plan for the years ended June 30, 2020 and 2019 amounted to \$1,731,656 and \$1,462,122, respectively. Conejos County Hospital's contributions to the Plan amounted to \$193,215 and \$177,154 for the years ended June 30, 2020 and 2019, respectively.

Note 13: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard), even when the timing and/or method of settlement may be conditional on a future event. The Medical Center's conditional ARO primarily relates to asbestos contained in buildings that the Medical Center owns. Colorado environmental regulations require the Medical Center to handle and dispose of asbestos in a particular manner if a building in which it operates undergoes major renovations or is demolished.

The estimated ARO for the years ended June 30, 2020 and 2019 amounted to \$270,531.

Note 14: Disclosures About Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020 and 2019:

		Fair Value Measurements Using			
		Fair Value Asset (Liability)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2020					
Mutual funds	\$	2,185,061	\$ 2,185,061	\$ -	\$ -
Exchange-traded fund	\$	525,472	\$ 525,472	\$ -	\$ -
Municipal bonds	\$	2,575,000	\$ -	\$ 2,575,000	\$ -
Mortgage-backed securities - government agencies	\$	144	\$ -	\$ 144	\$ -
U.S. agencies and instrumentalities	\$	9,971,955	\$ 5,124,329	\$ 4,847,626	\$ -

		Fair Value Measurements Using			
		Fair Value Asset (Liability)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2019					
Money market/mutual funds	\$	2,052,679	\$ 2,052,679	\$ -	\$ -
Exchange-traded fund	\$	486,010	\$ 486,010	\$ -	\$ -
Municipal bonds	\$	3,575,000	\$ -	\$ 3,575,000	\$ -
Mortgage-backed securities - government agencies	\$	498	\$ -	\$ 498	\$ -
U.S. agencies and instrumentalities	\$	8,643,653	\$ 4,365,725	\$ 4,277,928	\$ -

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Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization does not carry any Level 3 investments.

Note 15: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Variable Consideration

Estimates of variable consideration in determining the transaction price for patient service revenue as described in Notes 1 and 3.

Self-insured Health Care Plan

Estimates related to the accrual for the self-insured health care plan are described in Note 10.

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Notes 1 and 11.

Litigation

In the normal course of business, the Organization is, from time to time, subject to allegations that may or do result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

San Luis Valley Health
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Asset Retirement Obligation

As discussed in Note 13, the Organization has recorded a liability for its conditional asset retirement obligations related to long-lived assets.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

Note 16: Subsequent Events

Subsequent events have been evaluated through December 10, 2020, which is the date the consolidated financial statements were available to be issued.

Subsequent to year-end, in relation to the Medicare Accelerated and Advanced Payment Program, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25% of the remittance advice payment followed by a six-month payback period at 50% of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withheld amounts to be paid back in a lump-sum or interest will begin to accrue subsequent to the 29 month at a rate of 4%.

Supplementary Information

San Luis Valley Health
Consolidating Schedule – Balance Sheet Information
June 30, 2020

Assets

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Current Assets				
Cash and cash equivalents	\$ 22,390,372	\$ 5,125,941	\$ -	\$ 27,516,313
Assets held for others	98,222	-	-	98,222
Certificates of deposit	-	27,584	-	27,584
Patient accounts receivable	8,944,312	1,468,247	-	10,412,559
Due from related party	51,949	-	(51,949)	-
Other accounts receivable	1,126,877	8,185	-	1,135,062
Supplies	2,042,606	277,324	-	2,319,930
Prepaid expenses and other	2,453,589	109,446	-	2,563,035
	<u>37,107,927</u>	<u>7,016,727</u>	<u>(51,949)</u>	<u>44,072,705</u>
Total current assets				
	<u>37,107,927</u>	<u>7,016,727</u>	<u>(51,949)</u>	<u>44,072,705</u>
Assets Limited as to Use				
Internally designated for capital improvements and other purposes	23,539,685	-	-	23,539,685
Internally designated for scholarships	1,020,926	-	-	1,020,926
Externally restricted	1,316,571	-	-	1,316,571
	<u>25,877,182</u>	<u>-</u>	<u>-</u>	<u>25,877,182</u>
Total assets limited as to use				
	<u>25,877,182</u>	<u>-</u>	<u>-</u>	<u>25,877,182</u>
Interest in Net Assets of the Foundation	283,214	-	-	283,214
	<u>283,214</u>	<u>-</u>	<u>-</u>	<u>283,214</u>
Property and Equipment, at Cost				
Land and land improvements	8,798,717	156,863	-	8,955,580
Buildings and leasehold improvements	48,365,885	10,794,150	-	59,160,035
Equipment	21,205,306	2,480,570	-	23,685,876
Construction in progress	2,110,703	223,008	-	2,333,711
	<u>80,480,611</u>	<u>13,654,591</u>	<u>-</u>	<u>94,135,202</u>
Less accumulated depreciation	40,754,384	4,869,703	-	45,624,087
	<u>40,754,384</u>	<u>4,869,703</u>	<u>-</u>	<u>45,624,087</u>
Total property and equipment, at cost	<u>39,726,227</u>	<u>8,784,888</u>	<u>-</u>	<u>48,511,115</u>
Other Assets	6,206,057	-	-	6,206,057
	<u>6,206,057</u>	<u>-</u>	<u>-</u>	<u>6,206,057</u>
Total assets	<u>\$ 109,200,607</u>	<u>\$ 15,801,615</u>	<u>\$ (51,949)</u>	<u>\$ 124,950,273</u>

San Luis Valley Health
Consolidating Schedule – Balance Sheet Information (continued)
June 30, 2020

Liabilities and Net Assets

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Current Liabilities				
Current maturities of long-term debt	\$ 1,453,937	\$ 45,144	\$ -	\$ 1,499,081
Assets held for others	98,222	-	-	98,222
Accounts payable	2,954,895	425,171	-	3,380,066
Accrued expenses	4,951,467	1,098,573	-	6,050,040
Unearned grant revenue	9,190,385	-	-	9,190,385
Accelerated Medicare payments	9,891,556	2,171,691	-	12,063,247
Estimated amounts due to third-party payers	1,182,114	2,006,534	-	3,188,648
Due to related party	-	51,949	(51,949)	-
	<u>29,722,576</u>	<u>5,799,062</u>	<u>(51,949)</u>	<u>35,469,689</u>
Long-term Debt, Net of Financing Costs	19,846,381	-	-	19,846,381
Asset Retirement Obligation	<u>270,531</u>	<u>-</u>	<u>-</u>	<u>270,531</u>
Total liabilities	<u>49,839,488</u>	<u>5,799,062</u>	<u>(51,949)</u>	<u>55,586,601</u>
Net Assets				
Without donor restrictions	59,077,905	10,002,553	-	69,080,458
With donor restrictions	<u>283,214</u>	<u>-</u>	<u>-</u>	<u>283,214</u>
Total net assets	<u>59,361,119</u>	<u>10,002,553</u>	<u>-</u>	<u>69,363,672</u>
Total liabilities and net assets	<u><u>\$ 109,200,607</u></u>	<u><u>\$ 15,801,615</u></u>	<u><u>\$ (51,949)</u></u>	<u><u>\$ 124,950,273</u></u>

San Luis Valley Health
Consolidating Schedule – Statement of Operations Information
Year Ended June 30, 2020

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Revenues, Gains and Other Support				
Without Donor Restrictions				
Patient service revenue	\$ 84,503,428	\$ 11,525,282	\$ -	\$ 96,028,710
Ambulance District revenue	597,908	-	-	597,908
Contributions	2,425,892	70,418	-	2,496,310
Other	4,645,660	28,278	(1,227,272)	3,446,666
	<u>92,172,888</u>	<u>11,623,978</u>	<u>(1,227,272)</u>	<u>102,569,594</u>
Total revenues, gains and other support without donor restrictions				
	<u>92,172,888</u>	<u>11,623,978</u>	<u>(1,227,272)</u>	<u>102,569,594</u>
Expenses				
Salaries and benefits	54,031,788	6,399,799	-	60,431,587
Purchased services and professional fees	7,407,704	2,180,698	(1,227,272)	8,361,130
Depreciation	3,181,165	460,828	-	3,641,993
Provider fee	4,306,995	308,746	-	4,615,741
Interest expense	509,736	1,184	-	510,920
Supplies, minor equipment, repairs and other	19,037,590	1,140,412	-	20,178,002
Other operating costs	4,175,552	435,265	-	4,610,817
	<u>92,650,530</u>	<u>10,926,932</u>	<u>(1,227,272)</u>	<u>102,350,190</u>
Total expenses				
	<u>92,650,530</u>	<u>10,926,932</u>	<u>(1,227,272)</u>	<u>102,350,190</u>
Operating Income	(477,642)	697,046	-	219,404
Other Income				
Investment return, net	589,510	7,924	-	597,434
	<u>589,510</u>	<u>7,924</u>	<u>-</u>	<u>597,434</u>
Excess of Revenues Over Expenses	111,868	704,970	-	816,838
Grants for purchase of property and equipment	416,555	-	-	416,555
	<u>416,555</u>	<u>-</u>	<u>-</u>	<u>416,555</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ 528,423</u>	<u>\$ 704,970</u>	<u>\$ -</u>	<u>\$ 1,233,393</u>

San Luis Valley Health
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended June 30, 2020

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Net Assets Without Donor Restrictions				
Excess of revenues over expenses	\$ 111,868	\$ 704,970	\$ -	\$ 816,838
Grants for purchase of property and equipment	<u>416,555</u>	<u>-</u>	<u>-</u>	<u>416,555</u>
Increase in net assets without donor restrictions	<u>528,423</u>	<u>704,970</u>	<u>-</u>	<u>1,233,393</u>
Net Assets With Donor Restrictions				
Net change in investment in the Foundation	<u>(94,141)</u>	<u>-</u>	<u>-</u>	<u>(94,141)</u>
Decrease in net assets with donor restrictions	<u>(94,141)</u>	<u>-</u>	<u>-</u>	<u>(94,141)</u>
Change in Net Assets	434,282	704,970	-	1,139,252
Net Assets, Beginning of Year	<u>58,926,837</u>	<u>9,297,583</u>	<u>-</u>	<u>68,224,420</u>
Net Assets, End of Year	<u><u>\$ 59,361,119</u></u>	<u><u>\$ 10,002,553</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 69,363,672</u></u>

San Luis Valley Health
Consolidating Schedule – Balance Sheet Information
June 30, 2019

Assets

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Current Assets				
Cash and cash equivalents	\$ 8,209,291	\$ 3,523,892	\$ -	\$ 11,733,183
Assets held for others	207,835	65	-	207,900
Certificates of deposit	-	27,584	-	27,584
Patient accounts receivable	9,718,857	1,004,134	-	10,722,991
Due from related party	918,880	-	(918,880)	-
Other accounts receivable	1,518,951	10,011	-	1,528,962
Supplies	1,848,527	182,163	-	2,030,690
Prepaid expenses and other	2,110,324	104,623	-	2,214,947
	<u>24,532,665</u>	<u>4,852,472</u>	<u>(918,880)</u>	<u>28,466,257</u>
Total current assets				
	<u>24,532,665</u>	<u>4,852,472</u>	<u>(918,880)</u>	<u>28,466,257</u>
Assets Limited as to Use				
Internally designated for capital improvements and other purposes	23,001,288	-	-	23,001,288
Internally designated for scholarships	981,586	-	-	981,586
Externally restricted	1,150,126	-	-	1,150,126
	<u>25,133,000</u>	<u>-</u>	<u>-</u>	<u>25,133,000</u>
Total assets limited as to use				
	<u>25,133,000</u>	<u>-</u>	<u>-</u>	<u>25,133,000</u>
Interest in Net Assets of the Foundation	377,355	-	-	377,355
	<u>377,355</u>	<u>-</u>	<u>-</u>	<u>377,355</u>
Property and Equipment, at Cost				
Land and land improvements	8,787,449	156,863	-	8,944,312
Buildings and leasehold improvements	43,562,014	4,688,824	-	48,250,838
Equipment	23,935,266	2,576,764	-	26,512,030
Construction in progress	1,774,080	5,154,484	-	6,928,564
	<u>78,058,809</u>	<u>12,576,935</u>	<u>-</u>	<u>90,635,744</u>
Less accumulated depreciation	41,560,580	4,565,489	-	46,126,069
	<u>36,498,229</u>	<u>8,011,446</u>	<u>-</u>	<u>44,509,675</u>
Total property and equipment, at cost				
	<u>36,498,229</u>	<u>8,011,446</u>	<u>-</u>	<u>44,509,675</u>
Other Assets	5,100,323	-	-	5,100,323
	<u>5,100,323</u>	<u>-</u>	<u>-</u>	<u>5,100,323</u>
Total assets	<u>\$ 91,641,572</u>	<u>\$ 12,863,918</u>	<u>\$ (918,880)</u>	<u>\$ 103,586,610</u>

San Luis Valley Health
Consolidating Schedule – Balance Sheet Information (continued)
June 30, 2019

Liabilities and Net Assets

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Current Liabilities				
Current maturities of long-term debt	\$ 1,192,750	\$ 59,392	\$ -	\$ 1,252,142
Assets held for others	207,835	65	-	207,900
Accounts payable	3,430,556	419,900	-	3,850,456
Accrued expenses	4,425,828	602,143	-	5,027,971
Unearned grant revenue	855,563	-	-	855,563
Estimated amounts due to third-party payers	963,425	1,520,811	-	2,484,236
Due to related party	-	918,880	(918,880)	-
	<u>11,075,957</u>	<u>3,521,191</u>	<u>(918,880)</u>	<u>13,678,268</u>
Total current liabilities	11,075,957	3,521,191	(918,880)	13,678,268
Long-term Debt, Net of Financing Costs	21,368,247	45,144	-	21,413,391
Asset Retirement Obligation	270,531	-	-	270,531
	<u>32,714,735</u>	<u>3,566,335</u>	<u>(918,880)</u>	<u>35,362,190</u>
Total liabilities	32,714,735	3,566,335	(918,880)	35,362,190
Net Assets				
Without donor restrictions	58,549,482	9,297,583	-	67,847,065
With donor restrictions	377,355	-	-	377,355
	<u>58,926,837</u>	<u>9,297,583</u>	<u>-</u>	<u>68,224,420</u>
Total net assets	58,926,837	9,297,583	-	68,224,420
Total liabilities and net assets	<u>\$ 91,641,572</u>	<u>\$ 12,863,918</u>	<u>\$ (918,880)</u>	<u>\$ 103,586,610</u>

San Luis Valley Health
Consolidating Schedule – Statement of Operations Information
Year Ended June 30, 2019

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Revenues, Gains and Other Support				
Without Donor Restrictions				
Patient service revenue	\$ 87,328,442	\$ 11,469,366	\$ -	\$ 98,797,808
Ambulance District revenue	417,480	-	-	417,480
Contributions	649,705	-	-	649,705
Gain on sale of property and equipment	14,596	108	-	14,704
Other	4,295,558	175,984	(1,090,464)	3,381,078
	<u>92,705,781</u>	<u>11,645,458</u>	<u>(1,090,464)</u>	<u>103,260,775</u>
Total revenues, gains and other support without donor restrictions				
	<u>92,705,781</u>	<u>11,645,458</u>	<u>(1,090,464)</u>	<u>103,260,775</u>
Expenses				
Salaries and benefits	50,584,991	5,826,137	-	56,411,128
Purchased services and professional fees	7,721,272	2,125,733	(1,090,464)	8,756,541
Depreciation	2,692,701	346,027	-	3,038,728
Provider fee	4,333,798	285,175	-	4,618,973
Interest expense	708,810	2,085	-	710,895
Supplies, minor equipment, repairs and other	17,836,640	1,255,478	-	19,092,118
Other operating costs	4,203,416	501,890	-	4,705,306
	<u>88,081,628</u>	<u>10,342,525</u>	<u>(1,090,464)</u>	<u>97,333,689</u>
Total expenses				
	<u>88,081,628</u>	<u>10,342,525</u>	<u>(1,090,464)</u>	<u>97,333,689</u>
Operating Income	4,624,153	1,302,933	-	5,927,086
Other Income				
Investment return, net	610,251	11,462	-	621,713
	<u>610,251</u>	<u>11,462</u>	<u>-</u>	<u>621,713</u>
Excess of Revenues Over Expenses	5,234,404	1,314,395	-	6,548,799
Grants for purchase of property and equipment	50,457	-	-	50,457
	<u>50,457</u>	<u>-</u>	<u>-</u>	<u>50,457</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ 5,284,861</u>	<u>\$ 1,314,395</u>	<u>\$ -</u>	<u>\$ 6,599,256</u>

San Luis Valley Health
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended June 30, 2019

	Medical Center	Conejos Hospital	Eliminating Entries	Total
Net Assets Without Donor Restrictions				
Excess of revenues over expenses	\$ 5,234,404	\$ 1,314,395	\$ -	\$ 6,548,799
Grants for purchase of property and equipment	<u>50,457</u>	<u>-</u>	<u>-</u>	<u>50,457</u>
Increase in net assets without donor restrictions	<u>5,284,861</u>	<u>1,314,395</u>	<u>-</u>	<u>6,599,256</u>
Net Assets With Donor Restrictions				
Net change in investment in the Foundation	<u>17,440</u>	<u>-</u>	<u>-</u>	<u>17,440</u>
Increase in net assets with donor restrictions	<u>17,440</u>	<u>-</u>	<u>-</u>	<u>17,440</u>
Change in Net Assets	5,302,301	1,314,395	-	6,616,696
Net Assets, Beginning of Year	<u>53,624,536</u>	<u>7,983,188</u>	<u>-</u>	<u>61,607,724</u>
Net Assets, End of Year	<u><u>\$ 58,926,837</u></u>	<u><u>\$ 9,297,583</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68,224,420</u></u>