

| Section 1: Costs  |  |   |  |                                     |  |                                  |
|---|--|---|--|-------------------------------------|--|----------------------------------|
| <b>Hospital Name</b>  |  | Salem Health  |  |                                     |  |                                  |
| <b>Hospital System</b>  |  | Salem Health Hospitals and Clinics                    |  |                                     |  |                                  |
| <b>Reporting Period</b>   |  | 7/1/2017-6/30/2018                                    |  |                                     |  |                                  |
| <b>Contact Information</b>  |  | Name of Person Completing This Form: Beatrix Schaefer |  | Title: Reimbursement Analyst        |  |                                  |
|   |  | Phone Number: [REDACTED]                              |  | Email: [REDACTED]                   |  |                                  |
|   |  | Reviewed By: Reid Sund                                |  | Title: Finance Manager & Controller |  |                                  |
| Please indicate what type of cost accounting system is being used for this reporting. (Check all that apply and explain.) |  | <b>Cost accounting system</b>                         | <b>Cost to Charge Ratio</b>            | <b>Other (explain)</b>              |  |                                  |
|   |  | x   | x                                      |                                     |  |                                  |
| <b>Community Benefit Categories</b>   |  | <b>Column A</b>                                       | <b>Column B</b>                        | <b>Column C</b>                     | <b>Column D</b>                            | <b>Column E</b>                  |
| <b>Row</b>  | <b>Charity Care and Public Programs</b>  | <b>Patient Visits</b>                                 | <b>Total community benefit expense</b> | <b>Direct offsetting revenue</b>    | <b>Net community benefit expense (B-C)</b> |                                  |
| 1   | Charity care at cost   | 30,898  | \$11,026,757                           | \$0                                 | \$11,026,757                               |                                  |
|   | Unreimbursed costs of public programs:   |   |  |                                     |  |                                  |
| 2   | Medicaid/Managed Medicaid Plans  | 162,962   | \$172,908,922                          | \$131,419,428                       | \$41,489,495                               |                                  |
| 3   | Medicare/Managed Medicare Plans  | 200,173   | \$323,256,405                          | \$269,232,780                       | \$54,023,624                               |                                  |
| 4   | O her public programs  | 11,914  | \$10,013,055                           | \$7,225,288                         | \$2,787,767                                |                                  |
| 5   | Charity Care and Public Programs Total (sum of lines 1 through 4)                          | 405,947   | \$517,205,139                          | \$407,877,496                       | \$109,327,643                              |                                  |
| 6   | What percentage of Charity Care dollars granted represented a discount of 100% of charges? | 46.6%   |  |                                     |  |                                  |
|   | <b>Other Benefits</b>  | <b>Encounters</b>                                     | <b>Total community benefit expense</b> | <b>Direct offsetting revenue</b>    | <b>Net community benefit expense (B-C)</b> | <b>Description of Activities</b> |
| 7   | Community health improvement services  | 129,746   | \$2,670,387                            | \$69,722                            | \$2,600,665                                |                                  |
| 8   | Research   | n/a   | \$129,847                              | \$0                                 | \$129,847                                  |                                  |
| 9   | Health professions education   | n/a   | \$2,005,563                            | \$0                                 | \$2,005,563                                |                                  |
| 10  | Subsidized health services   | n/a   | \$24,906,048                           | \$13,094,983                        | \$11,811,065                               |                                  |
| 11  | Cash and in-kind contributions to other community groups                                   | n/a   | \$756,724                              | \$0                                 | \$756,724                                  |                                  |
| 12  | Community building activities  | n/a   | \$2,233,672                            | \$0                                 | \$2,233,672                                |                                  |
| 13  | Community benefit operations   | n/a   | \$178,534                              | \$0                                 | \$178,534                                  |                                  |
| 14  | O her Benefits Totals (sum of lines 7 through 13)  | 129,746   | \$32,880,775                           | \$13,164,705                        | \$19,716,070                               |                                  |
| 15  | Community Benefits Totals (line 5 plus line 14)  | 535,693   | \$550,085,914                          | \$421,042,201                       | \$129,043,713                              |                                  |

Please note: If the amount in Column E is equal to or greater than the amount in Column D, leave Columns D, E and F blank.