

Form

**990**

(Rev. January 2020)

Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

Open to Public Inspection

A For the 2019 calendar year, or tax year beginning

JUL 1, 2019

and ending

JUN 30, 2020

B Check if applicable:

☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return/terminated  
☐ Amended return  
☐ Application pending

C Name of organization

OVERLAKE HOSPITAL MEDICAL CENTER

Doing business as

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

1035 116TH AVENUE NE

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

BELLEVUE, WA 98004

F Name and address of principal officer: J. MICHAEL MARSH

SAME AS C ABOVE

D Employer identification number

91-0652651

E Telephone number

425-688-5000

G Gross receipts \$

605,505,222.

H(a) Is this a group return for subordinates? .....

☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

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

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.OVERLAKEHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1953

M State of legal domicile: WA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: THE PURPOSE IS TO OPERATE A HOSPITAL FOR THE CARE OF PERSONS, TO PARTICIPATE IN EDUCATION,

2 Check this box ☐ 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 16

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 15

5 Total number of individuals employed in calendar year 2019 (Part V, line 2a) 5 3667

6 Total number of volunteers (estimate if necessary) 6 217

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 39 7b 0.

Revenue

8 Contributions and grants (Part VIII, line 1h) 10,968,633. 35,731,629.

9 Program service revenue (Part VIII, line 2g) 562,043,343. 543,289,574.

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 32,387,340. 22,321,323.

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 4,676,272. 4,013,172.

12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 610,075,588. 605,355,698.

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 2,277,968. 2,115,907.

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) 304,352,109. 327,136,542.

16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0.

16b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 265,233,789. 268,572,221.

18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 571,863,866. 597,824,670.

19 Revenue less expenses. Subtract line 18 from line 12 38,211,722. 7,531,028.

Net Assets or Fund Balances

20 Total assets (Part X, line 16) 959,048,510. 1,038,955,191.

21 Total liabilities (Part X, line 26) 390,370,885. 472,809,344.

22 Net assets or fund balances. Subtract line 21 from line 20 568,677,625. 566,145,847.

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

ANDREW TOKAR, CFO

Type or print name and title

Date

Paid Preparer Use Only

Print/Type preparer's name

SARA ELIZABETH J. HYRE

Preparer's signature

SARA ELIZABETH J. HYRE

Date

05/06/21

Check if self-employed ☐

PTIN

P00235495

Firm's name ▶

CLARK NUBER, PS

Firm's EIN ▶

91-1194016

Firm's address ▶

10900 NE 4TH STREET, SUITE 1400

BELLEVUE, WA 98004

Phone no.

425-454-4919

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

☒ Yes ☐ No

932001 01-20-20 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2019)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

THE PURPOSE IS TO OPERATE A HOSPITAL FOR THE CARE OF PERSONS, TO  
 PARTICIPATE IN EDUCATION, RESEARCH AND OTHER ACTIVITIES DESIGNED TO  
 PROMOTE GENERAL HEALTH OF THE COMMUNITY. THE HOSPITAL'S MISSION IS TO  
 PROVIDE COMPASSIONATE CARE FOR EVERY LIFE WE TOUCH.

**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 \$ 481,953,866. including grants of \$ ) (Revenue \$ 543,161,260. )  
 SEE SCHEDULE O.

**4b** (Code: ) (Expenses \$ 2,115,907. including grants of \$ 2,115,907. ) (Revenue \$ )  
 OTHER GRANTS AND ALLOCATIONS:

GRANTS TO OVERLAKE HOSPITAL FOUNDATION AND OVERLAKE HOSPITAL  
 AUXILIARIES TO COVER EXPENSES AND GRANTS TO SUPPORT OTHER COMMUNITY  
 NONPROFIT ORGANIZATIONS.

**4c** (Code: ) (Expenses \$ 3,254,562. including grants of \$ ) (Revenue \$ 128,314. )  
 EDUCATION SERVICES:

IN ADDITION TO THE EXCELLENT CARE WE PROVIDE OUR PATIENTS, THE HOSPITAL  
 FIRMLY BELIEVES EDUCATION IS CRITICAL TO OVERALL WELLNESS. THE HOSPITAL  
 REACHES OUT TO THE COMMUNITY TO ENGAGE AND EMPOWER ITS PATIENTS IN  
 BECOMING EDUCATED HEALTHCARE CONSUMERS BY OFFERING FREE AND LOW-COST  
 CLASSES FOR ALL AGE GROUPS. HEALTH EDUCATION IS AN IMPORTANT PART OF  
 PREVENTATIVE CARE. THE EDUCATION PROGRAM PROVIDED 15,832 FAMILY CONTACT  
 HOURS OFFERING CLASSES OF A WIDE RANGE OF HEALTH RELATED TOPICS  
 INCLUDING WOMEN'S HEALTH, PRENATAL CARE, COPING SKILLS, DEALING WITH  
 CANCER, POSITIVE PARENTING, SAFETY, ASTHMA, HEART DISEASE, DIABETES,  
 LIVING WILLS, INCONTINENCE, WEIGHT LOSS, MAINTAINING BALANCE,  
 BABYSITTING FOR TEENS, CPR AND HEALTHY LIFESTYLES.

**4d** Other program services (Describe on Schedule O.)

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

**4e** Total program service expenses **487,324,335.**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
<b>5</b> 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? <i>If "Yes," complete Schedule C, Part III</i>		X
<b>6</b> 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? <i>If "Yes," complete Schedule D, Part I</i>		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
<b>9</b> 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? <i>If "Yes," complete Schedule D, Part IV</i>		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
<b>b</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? <i>If "Yes," complete Schedule D, Part VII</i>		X
<b>c</b> 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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
<b>d</b> 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? <i>If "Yes," complete Schedule D, Part IX</i>		X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
<b>f</b> 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)? <i>If "Yes," complete Schedule D, Part X</i>		X
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		X
<b>b</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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
<b>15</b> 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
<b>16</b> 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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
<b>17</b> 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? <i>If "Yes," complete Schedule G, Part I</i>		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> 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> .....	<b>22</b>	X
<b>23</b> 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> .....	<b>23</b>	X
<b>24a</b> 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> .....	<b>24a</b>	X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	<b>24b</b>	X
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	<b>24c</b>	X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	<b>24d</b>	X
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> 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> .....	<b>25a</b>	X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....	<b>25b</b>	X
<b>26</b> 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> .....	<b>26</b>	X
<b>27</b> 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> .....	<b>27</b>	X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28a</b>	X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28b</b>	X
<b>c</b> 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> .....	<b>28c</b>	X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	<b>29</b>	X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	<b>31</b>	X
<b>32</b> 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> .....	<b>32</b>	X
<b>33</b> 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> .....	<b>33</b>	X
<b>34</b> 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> .....	<b>34</b>	X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	<b>35a</b>	X
<b>b</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> .....	<b>35b</b>	X
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	<b>36</b>	X
<b>37</b> 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> .....	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O .....	<b>38</b>	X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....	<b>1a</b>	241
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....	<b>1b</b>	0
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	<b>1c</b>	X

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

	Yes	No
<b>2a</b> 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		
<b>2a</b> 3667		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b> X	
<b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b> X	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	<b>3b</b> X	
<b>4a</b> 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)?	<b>4a</b>	X
<b>b</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).		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b> 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?	<b>6a</b>	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> 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?	<b>7a</b>	X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b> N/A	
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b> N/A	
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b> N/A	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b> N/A	
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b> N/A	
<b>10 Section 501(c)(7) organizations.</b> Enter:		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b> N/A	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11 Section 501(c)(12) organizations.</b> Enter:		
<b>a</b> Gross income from members or shareholders	<b>11a</b> N/A	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b> N/A	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state?	<b>13a</b> N/A	
<b>Note:</b> See the instructions for additional information the organization must report on Schedule O.		
<b>b</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	<b>13b</b>	
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	<b>14b</b>	
<b>15</b> 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?	<b>15</b> X	
If "Yes," see instructions and file Form 4720, Schedule N.		
<b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	<b>16</b>	X
If "Yes," complete Form 4720, Schedule O.		

**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
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year ..... 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.	16			
<b>b</b> Enter the number of voting members included on line 1a, above, who are independent .....		15		
<b>2</b> 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? .....			<b>2</b>	X
<b>3</b> 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? .....			<b>3</b>	X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....			<b>4</b>	X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? .....			<b>5</b>	X
<b>6</b> Did the organization have members or stockholders? .....			<b>6</b>	X
<b>7a</b> 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? .....			<b>7a</b>	X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....			<b>7b</b>	X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
<b>a</b> The governing body? .....			<b>8a</b>	X
<b>b</b> Each committee with authority to act on behalf of the governing body? .....			<b>8b</b>	X
<b>9</b> 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 .....			<b>9</b>	X

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

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? .....	<b>10a</b>	X
<b>b</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? .....	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .....	<b>11a</b>	X
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. ....		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 .....	<b>12a</b>	X
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	<b>12b</b>	X
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....	<b>12c</b>	X
<b>13</b> Did the organization have a written whistleblower policy? .....	<b>13</b>	X
<b>14</b> Did the organization have a written document retention and destruction policy? .....	<b>14</b>	X
<b>15</b> 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?		
<b>a</b> The organization's CEO, Executive Director, or top management official .....	<b>15a</b>	X
<b>b</b> Other officers or key employees of the organization .....	<b>15b</b>	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). ....		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? .....	<b>16a</b>	X
<b>b</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? .....	<b>16b</b>	X

**Section C. Disclosure**

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

**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 ►  
**LINDSEY SOBOLOSKI - 425-688-5552**  
**1231 116TH AVE, SUITE 600, BELLEVUE, WA 98004**

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, 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 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) J. MICHAEL MARSH PRESIDENT & CEO	45.00 15.00			X				1,701,661.	0.	130,722.
(2) ABHNEET CHOWDHARY, MD NEUROSURGEON	40.00 0.00					X		1,158,242.	0.	31,021.
(3) DEREK M. RODRIGUES, MD CARDIOLOGIST	40.00 0.00					X		1,048,294.	0.	41,403.
(4) DAVID KNOEPFLER VP/CHIEF MEDICAL OFFICER	55.00 0.00					X		872,437.	0.	83,103.
(5) DAVID W. NELSON, MD CARDIOLOGIST	40.00 0.00					X		831,959.	0.	41,403.
(6) ROBERT WOCHUL RHO, MD CARDIOLOGIST	40.00 0.00					X		813,043.	0.	30,031.
(7) THOMAS A. DEBORD COO	55.00 0.00			X				614,569.	0.	72,165.
(8) KELAN R. KOENIG, MD OMC PHYSICIAN EXECUTIVE	55.00 0.00				X			516,158.	0.	90,983.
(9) ANDREW J. TOKAR CFO	50.00 7.00			X				492,695.	0.	74,836.
(10) CAITILN HILLARY MOULDING FORMER KEY EMPLOYEE	0.00 0.00						X	396,116.	0.	622.
(11) VALERIE CHRUSCIEL OMC COO	60.00 0.00				X			302,348.	0.	63,615.
(12) MICHELLE CURRY VP/CHIEF NURSING OFFICER	55.00 0.00				X			308,952.	0.	53,424.
(14) RUSSELL STOCKDALE CHAIR	8.00 1.00	X		X				0.	0.	0.
(15) ROBERT CAMPBELL SECRETARY, CHAIR ELECT	4.00 4.00	X		X				0.	0.	0.
(16) JASON THOMPSON TREASURER	3.50 0.50	X		X				0.	0.	0.
(17) PATRICIA BEDIENT IMMEDIATE PAST CHAIR	1.00 1.00	X		X				0.	0.	0.
(18) JORGE CERDA TRUSTEE	3.50 3.50	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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			
(19) GREG COLLINS TRUSTEE	3.00 1.00	X						0.	0.	0.
(20) TOM EVERT TRUSTEE FROM 05/20	2.00 1.00	X						0.	0.	0.
(21) JANINE FLORENCE TRUSTEE	0.50 0.50	X						0.	0.	0.
(22) TED HERB TRUSTEE	1.00 0.50	X						0.	0.	0.
(23) RAJESH JHA TRUSTEE FROM 01/20	2.00 1.00	X						0.	0.	0.
(24) TIFFANY KOENIG TRUSTEE	1.00 3.00	X						0.	0.	0.
(25) JIM LADD TRUSTEE	2.00 1.00	X						0.	0.	0.
(26) MARTHA LEE TRUSTEE	3.00 1.00	X						0.	0.	0.
(27) LINDA MAHAFFEY TRUSTEE	1.50 0.50	X						0.	0.	0.
<b>1b Subtotal</b> .....								9,056,474.	0.	713,328.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								77,000.	0.	0.
<b>d Total (add lines 1b and 1c)</b> .....								9,133,474.	0.	713,328.

**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 **▶**

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- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual* .....
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual* .....
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person* .....

	Yes	No
<b>3</b>	X	
<b>4</b>	X	
<b>5</b>		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
GALL LANDAU YOUNG CONST CO. P.O. BOX 6728, BELLEVUE, WA 98008	CONSTRUCTION	61,328,261.
EPIC SYSTEMS CORP. PO BOX 88314, MILWAUKEE, WI 53288	SOFTWARE DEVELOPMENT	3,194,815.
AYA HEALTHCARE, INC. PO BOX 123519-DEPT #3519, DALLAS, TX 75312	STAFFING	3,043,122.
BLOODWORKS NORTHWEST 921 TERRY AVENUE, SEATTLE, WA 98104	LABORATORY SERVICES	2,809,902.
NBBJ PO BOX 742088, LOS ANGELES, CA 90074	ARCHITECT FEES	2,024,218.

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

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SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2019)



932201  
04-01-19

**Part VIII** Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b>	Federated campaigns .....	<b>1a</b>				
	<b>b</b>	Membership dues .....	<b>1b</b>				
	<b>c</b>	Fundraising events .....	<b>1c</b>				
	<b>d</b>	Related organizations .....	<b>1d</b>	11,767,336.			
	<b>e</b>	Government grants (contributions) .....	<b>1e</b>	23,964,293.			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>				
	<b>g</b>	Noncash contributions included in lines 1a-1f	<b>1g</b>	\$			
	<b>h</b>	<b>Total.</b> Add lines 1a-1f .....		35,731,629.			
<b>Program Service Revenue</b>	<b>2 a</b>	NON GOVERNMENT PAYMENT	Business Code	622110	347,081,352.	347,081,352.	
	<b>b</b>	MEDICARE/MEDICAID	622110	198,315,802.	198,315,802.		
	<b>c</b>	OTHER PROGRAM SERVICES	900099	857,876.	857,876.		
	<b>d</b>	EDUCATION SERVICES	611710	128,314.	128,314.		
	<b>e</b>	PROGRAM RELATED INV.	900099	-3,093,770.	-3,093,770.		
	<b>f</b>	All other program service revenue .....					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f .....		543,289,574.			
	<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) .....		13,230,128.		
<b>4</b>		Income from investment of tax-exempt bond proceeds .....					
<b>5</b>		Royalties .....					
<b>6 a</b>		Gross rents .....	(i) Real	432,735.			
<b>b</b>		Less: rental expenses ...	(ii) Personal	0.			
<b>c</b>		Rental income or (loss) .....		432,735.			
<b>d</b>		Net rental income or (loss) .....		432,735.			432,735.
<b>7 a</b>		Gross amount from sales of assets other than inventory .....	(i) Securities	9,184,268.			
<b>b</b>		Less: cost or other basis and sales expenses .....	(ii) Other	0.	93,073.		
<b>c</b>		Gain or (loss) .....		9,184,268.	-93,073.		
<b>d</b>		Net gain or (loss) .....		9,091,195.			9,091,195.
<b>8 a</b>		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....					
<b>b</b>		Less: direct expenses .....					
<b>c</b>		Net income or (loss) from fundraising events .....					
<b>9 a</b>	Gross income from gaming activities. See Part IV, line 19 .....						
<b>b</b>	Less: direct expenses .....						
<b>c</b>	Net income or (loss) from gaming activities .....						
<b>10 a</b>	Gross sales of inventory, less returns and allowances .....		146,808.				
<b>b</b>	Less: cost of goods sold .....		56,451.				
<b>c</b>	Net income or (loss) from sales of inventory .....		90,357.			90,357.	
<b>Miscellaneous Revenue</b>	<b>11 a</b>	CAFETERIA/CATERING	Business Code	722514	2,280,821.		2,280,821.
	<b>b</b>	QUALITY INCENTIVES	900099	612,409.			612,409.
	<b>c</b>	PARKING REVENUE	812930	311,439.			311,439.
	<b>d</b>	All other revenue .....	900099	285,411.			285,411.
	<b>e</b>	<b>Total.</b> Add lines 11a-11d .....		3,490,080.			
	<b>12</b>	<b>Total revenue.</b> See instructions .....		605,355,698.	543,289,574.	0.	26,334,495.

**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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	2,115,907.	2,115,907.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....	3,843,623.	1,346,172.	2,497,451.	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
<b>7</b> Other salaries and wages .....	259,312,156.	217,964,567.	41,347,589.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....	15,157,683.	13,121,749.	2,035,934.	
<b>9</b> Other employee benefits .....	30,831,324.	24,762,415.	6,068,909.	
<b>10</b> Payroll taxes .....	17,991,756.	14,986,959.	3,004,797.	
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management .....				
<b>b</b> Legal .....	1,311,162.	97,876.	1,213,286.	
<b>c</b> Accounting .....	148,269.		148,269.	
<b>d</b> Lobbying .....	67,060.		67,060.	
<b>e</b> Professional fundraising services. See Part IV, line 17 .....				
<b>f</b> Investment management fees .....	307,539.		307,539.	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	58,779,861.	45,321,726.	13,458,135.	
<b>12</b> Advertising and promotion .....	1,470,533.	764.	1,469,769.	
<b>13</b> Office expenses .....	11,340,899.	7,110,746.	4,230,153.	
<b>14</b> Information technology .....	13,618,328.		13,618,328.	
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	17,864,409.	13,731,839.	4,132,570.	
<b>17</b> Travel .....	494,691.	321,460.	173,231.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
<b>19</b> Conferences, conventions, and meetings .....	582,022.	395,426.	186,596.	
<b>20</b> Interest .....	6,976,922.	6,976,922.		
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	31,597,310.	23,360,301.	8,237,009.	
<b>23</b> Insurance .....	8,434,399.	6,810,200.	1,624,199.	
<b>24</b> 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.)				
<b>a</b> MEDICAL SUPPLIES	91,574,443.	88,782,359.	2,792,084.	
<b>b</b> MEDICAID ASSESSMENT	12,968,693.	12,968,693.		
<b>c</b> B&O TAX	5,960,933.	4,922,502.	1,038,431.	
<b>d</b> LICENSE & MEMBERSHIP	1,538,298.	770,293.	768,005.	
<b>e</b> All other expenses	3,536,450.	1,455,459.	2,080,991.	
<b>25</b> Total functional expenses. Add lines 1 through 24e	597,824,670.	487,324,335.	110,500,335.	0.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	18,088,963.	<b>1</b>	-3,093,168.
	<b>2</b> Savings and temporary cash investments .....	81,468,599.	<b>2</b>	47,167,209.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	68,667,364.	<b>4</b>	76,015,044.
	<b>5</b> 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 .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	9,968,063.	<b>8</b>	9,195,643.
	<b>9</b> Prepaid expenses and deferred charges .....	10,944,443.	<b>9</b>	10,453,530.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 692,270,740.		
	<b>b</b> Less: accumulated depreciation .....	10b 342,290,910.		
		262,709,971.	<b>10c</b>	349,979,830.
	<b>11</b> Investments - publicly traded securities .....	496,081,426.	<b>11</b>	499,602,773.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	2,900,667.	<b>13</b>	2,754,993.
	<b>14</b> Intangible assets .....	1,786,161.	<b>14</b>	3,834,175.
	<b>15</b> Other assets. See Part IV, line 11 .....	6,432,853.	<b>15</b>	43,045,162.
	<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	959,048,510.	<b>16</b>	1,038,955,191.
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	87,010,992.	<b>17</b>	97,957,840.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	0.	<b>19</b>	35,000,000.
	<b>20</b> Tax-exempt bond liabilities .....	292,503,810.	<b>20</b>	289,389,817.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	10,856,083.	<b>25</b>	50,461,687.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	390,370,885.	<b>26</b>	472,809,344.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....	567,702,607.	<b>27</b>	564,807,442.
	<b>28</b> Net assets with donor restrictions .....	975,018.	<b>28</b>	1,338,405.
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	568,677,625.	<b>32</b>	566,145,847.
	<b>33</b> Total liabilities and net assets/fund balances .....	959,048,510.	<b>33</b>	1,038,955,191.

Form **990** (2019)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	605,355,698.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	597,824,670.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	7,531,028.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	568,677,625.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-10,062,806.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	566,145,847.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b> Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b> 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.	X	
<b>3a</b> 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? _____		X
<b>b</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 _____		

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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

**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		
<b>Total</b>						

**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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> 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
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
<input type="checkbox"/>		
<b>b 33 1/3% support test - 2018.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
<input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2019.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2018.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (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
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

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

**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
<b>1</b> 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>		
<b>2</b> 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>		
<b>3a</b> 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>b</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>		
<b>c</b> 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>		
<b>4a</b> 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>b</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>		
<b>c</b> 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>		
<b>5a</b> 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>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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>		
<b>7</b> 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>		
<b>8</b> 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>		
<b>9a</b> 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>b</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>		
<b>c</b> 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>		
<b>10a</b> 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>b</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
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> 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? <i>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.</i>		
<b>1</b>		
<b>2</b> 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? <i>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.</i>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> 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)? <i>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).</i>		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>1</b>		
<b>2</b> 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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>2</b>		
<b>3</b> 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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
<b>2</b> Activities Test. Answer (a) and (b) below.			
<b>a</b> 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? <i>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.</i>			
<b>2a</b>			
<b>b</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? <i>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.</i>			
<b>2b</b>			
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.			
<b>a</b> 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? <i>Provide details in Part VI.</i>			
<b>3a</b>			
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			
<b>3b</b>			

**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	<b>Adjusted Net Income</b> (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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
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	<b>Minimum Asset Amount</b> (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	<b>Distributable Amount.</b> 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
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2019 from Section C, line 6	
<b>10</b> 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
<b>1</b> Distributable amount for 2019 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2019			
<b>a</b> From 2014			
<b>b</b> From 2015			
<b>c</b> From 2016			
<b>d</b> From 2017			
<b>e</b> From 2018			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2019 distributable amount			
<b>i</b> Carryover from 2014 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2019 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2019 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2015			
<b>b</b> Excess from 2016			
<b>c</b> Excess from 2017			
<b>d</b> Excess from 2018			
<b>e</b> Excess from 2019			

**Supplemental Information.**

**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 B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

- ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

**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 foundationCheck 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	Employer identification number
OVERLAKE HOSPITAL MEDICAL CENTER	91-0652651

**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	OVERLAKE HOSPITAL FOUNDATION  1035 116TH AVE NE  BELLEVUE, WA 98004	\$ 8,967,335.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	OVERLAKE HOSPITAL ASSOCIATION  1035 116TH AVE NE  BELLEVUE, WA 98004	\$ 2,800,000.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number

91-0652651

## Part II

(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	Employer identification number
OVERLAKE HOSPITAL MEDICAL CENTER	91-0652651

**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 info. once.) ► \$ \_\_\_\_\_

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](http://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

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ..... ▶ \$

3 Volunteer hours for political campaign activities .....

**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-.

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

Schedule C (Form 990 or 990-EZ) 2019

LHA

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

☐ Yes ☐ No

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the 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
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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
<b>1</b> 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:			
<b>a</b> Volunteers? .....		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ...		X	
<b>c</b> Media advertisements? .....		X	
<b>d</b> Mailings to members, legislators, or the public? .....		X	
<b>e</b> Publications, or published or broadcast statements? .....		X	
<b>f</b> Grants to other organizations for lobbying purposes? .....		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body? .....	X		67,060.
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? .....		X	
<b>i</b> Other activities? .....		X	
<b>j</b> Total. Add lines 1c through 1i .....			67,060.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? .....		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912 .....			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912 .....			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members? .....	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? .....	2	
<b>3</b> 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."**

<b>1</b> Dues, assessments and similar amounts from members .....	1	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year .....	2a	
<b>b</b> Carryover from last year .....	2b	
<b>c</b> Total .....	2c	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues .....	3	
<b>4</b> 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	
<b>5</b> 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.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

PART OF MEMBERSHIP DUES THAT ARE PAID TO WASHINGTON STATE HOSPITAL

ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION ARE USED FOR LOBBYING

PURPOSES.

**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](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

**Name of the organization**

OVERLAKE HOSPITAL MEDICAL CENTER

**Employer identification number**

91-0652651

**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).  
☐ Preservation of land for public use (for example, recreation or education) ☐ Preservation of a historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the 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? .....

☐ Yes ☐ 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)? .....

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

Complete if the organization answered "Yes" 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 .....

**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

**d** ☐ Loan or exchange program

**b** ☐ Scholarly research

**e** ☐ Other \_\_\_\_\_

**c** ☐ Preservation for future generations

**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
<b>c</b> Beginning balance	<b>1c</b>
<b>d</b> Additions during the year	<b>1d</b>
<b>e</b> Distributions during the year	<b>1e</b>
<b>f</b> Ending balance	<b>1f</b>

**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
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

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

**a** Board designated or quasi-endowment ☐ \_\_\_\_\_ %

**b** Permanent endowment ☐ \_\_\_\_\_ %

**c** 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

(ii) Related organizations

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

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**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
<b>1a</b> Land		2,151,141.		2,151,141.
<b>b</b> Buildings		252,629,123.	129,214,743.	123,414,380.
<b>c</b> Leasehold improvements		4,691,709.	4,145,944.	545,765.
<b>d</b> Equipment		260,868,545.	208,930,223.	51,938,322.
<b>e</b> Other		171,930,222.		171,930,222.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				349,979,830.

**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) .....		
<b>Total.</b> (Col. (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) .....		
<b>Total.</b> (Col. (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) .....	
<b>Total.</b> (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) LIABILITY INSURANCE RESERVE	11,174,599.
(3) WORKERS COMPENSATION RESERVE	2,386,984.
(4) OTHER LONG TERM LIABILITY	101,316.
(5) CAPITAL LEASE OBLIGATION	36,798,788.
(6) .....	
(7) .....	
(8) .....	
(9) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	50,461,687.

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 ... ☐





**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

**Name of the organization**

OVERLAKE HOSPITAL MEDICAL CENTER

**Employer identification number**

91-0652651

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	X	
<b>b</b> If "Yes," was it a written policy? .....	X	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: ..... <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ..... <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
<b>c</b> 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.		
<b>4</b> 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	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? .....	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? .....		X
<b>c</b> 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? .....		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? .....	X	
<b>b</b> If "Yes," did the organization make it available to the public? .....	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....			6,314,426.		6,314,426.	1.06%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			51,084,134.	30,475,950.	20,608,184.	3.45%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs .....			57,398,560.	30,475,950.	26,922,610.	4.51%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			970,708.	120,087.	850,621.	.14%
<b>f</b> Health professions education (from Worksheet 5) .....			1,463,774.	235.	1,463,539.	.24%
<b>g</b> Subsidized health services (from Worksheet 6) .....			4,537,143.	1,374,750.	3,162,393.	.53%
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....			465,912.		465,912.	.08%
<b>j Total.</b> Other Benefits .....			7,437,537.	1,495,072.	5,942,465.	.99%
<b>k Total.</b> Add lines 7d and 7j .....			64,836,097.	31,971,022.	32,865,075.	5.50%

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

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....		1		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 .....	2	4,659,292.	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit .....	3	3,370,998.	
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.				
<b>Section B. Medicare</b>				
5	Enter total revenue received from Medicare (including DSH and IME) .....	5	67,986,847.	
6	Enter Medicare allowable costs of care relating to payments on line 5 .....	6	76,840,816.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7	-8,853,969.	
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				
<b>Section C. Collection Practices</b>				
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	

[illegible]

## Schedule H (Form 990) 2019

**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 OVERLAKE HOSPITAL MEDICAL CENTERLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
<b>1</b> 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
<b>2</b> 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
<b>3</b> 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 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <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		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The significant health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <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)		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		
<b>4</b> Indicate the tax year the hospital facility last conducted a CHNA: <u>20 18</u>		
<b>5</b> 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	
<b>6a</b> 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	
<b>b</b> 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	
<b>7</b> Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>OVERLAKEHOSPITAL.ORG/ABOUT-OVERLAKE</u>		
<b>b</b> <input type="checkbox"/> Other website (list url): .....		
<b>c</b> <input type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Section C)		
<b>8</b> 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	
<b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 18</u>		
<b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
<b>a</b> If "Yes," (list url): <u>OVERLAKEHOSPITAL.ORG/ABOUT-OVERLAKE</u>		
<b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
<b>11</b> 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.		
<b>12a</b> 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>b</b> If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
<b>c</b> 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 OVERLAKE HOSPITAL MEDICAL CENTER

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>13</b> X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	<b>14</b>	X
<b>15</b> Explained the method for applying for financial assistance? .....	<b>15</b> 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 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)		
<b>16</b> Was widely publicized within the community served by the hospital facility? .....	<b>16</b> 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>SEE PART V, PAGE 8</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</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 OVERLAKE HOSPITAL MEDICAL CENTER

	Yes	No	
<b>17</b> 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? .....	<b>17</b>	X	
<b>18</b> 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			
<b>19</b> 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? .....	<b>19</b>		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)			
<b>20</b> 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**

<b>21</b> 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? .....	<b>21</b>	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 OVERLAKE HOSPITAL MEDICAL CENTER**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** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☒ 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** ☐ 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** ☐ 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.

**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.

	Yes	No
<b>23</b>		X
<b>24</b>		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.

OVERLAKE HOSPITAL MEDICAL CENTER:

PART V, SECTION B, LINE 5: OVERLAKE MEDICAL CENTER SOLICITED COMMUNITY

INPUT THROUGH KEY STAKEHOLDER INTERVIEWS TO IDENTIFY RESOURCES POTENTIALLY

AVAILABLE TO ADDRESS THE SIGNIFICANT HEALTH NEEDS. OVERLAKE MEDICAL CENTER

PARTICIPATED IN A COLLABORATIVE PROCESS FOR THE COMMUNITY HEALTH NEEDS

ASSESSMENT AS PART OF THE KING COUNTY HOSPITALS FOR A HEALTHIER COMMUNITY

(HHC). HHC IS A COLLABORATIVE OF ALL 11 HOSPITALS AND/OR HEALTH SYSTEMS IN

KING COUNTY AND PUBLIC HEALTH-SEATTLE & KING COUNTY. THE HHC MEMBERS

JOINED TOGETHER TO IDENTIFY IMPORTANT HEALTH NEEDS AND ASSETS IN THE

COMMUNITIES THEY SERVE. HHC RECOGNIZES THAT PARTNERSHIPS BETWEEN

HOSPITALS, PUBLIC HEALTH, COMMUNITY ORGANIZATIONS AND COMMUNITIES ARE KEY

TO SUCCESSFUL STRATEGIES TO ADDRESS COMMON HEALTH NEEDS. THE COMMUNITY

HEALTH NEEDS ASSESSMENT INCORPORATED EXISTING DEMOGRAPHIC AND HEALTH DATA

FOR THE COMMUNITIES SERVED BY THE HOSPITAL. IT INCLUDED COLLECTION AND

ANALYSIS OF INPUT FROM PERSONS WHO REPRESENT THE BROAD INTEREST OF THE

COMMUNITY SERVED BY THE HOSPITAL, INCLUDING THOSE WITH SPECIAL KNOWLEDGE

OF PUBLIC HEALTH. THE HEALTH NEEDS WERE IDENTIFIED FROM ISSUES SUPPORTED

BY PRIMARY AND SECONDARY DATA SOURCES GATHERED FOR THE COMMUNITY HEALTH

NEEDS ASSESSMENT. THE NEEDS WERE INDICATED BY STAKEHOLDER INTERVIEWS,

FOCUS GROUPS, AND SECONDARY DATA SOURCES. THE NEEDS WERE CONFIRMED BY MORE

THAN ONE INDICATOR OR DATA SOURCE. COMMUNITY STAKEHOLDERS, IDENTIFIED BY

THE HOSPITAL, WERE CONTACTED AND ASKED TO PARTICIPATE IN THE NEEDS

ASSESSMENT. INTERVIEW PARTICIPANTS INCLUDED LEADERS AND REPRESENTATIVES OF

MEDICALLY UNDERSERVED, LOW-INCOME, AND MINORITY POPULATIONS, AS WELL AS

THE LOCAL HEALTH DEPARTMENT THAT HAS "CURRENT DATA OR INFORMATION RELEVANT

TO THE HEALTH NEEDS OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY," PER



**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.

IRS REQUIREMENTS. THE INTERVIEWS TOOK INTO ACCOUNT INPUT FROM A BROAD

RANGE OF PERSONS LOCATED IN OR SERVING ITS COMMUNITY INCLUDING, HEALTH

CARE CONSUMERS, NONPROFIT AND COMMUNITY-BASED ORGANIZATIONS, ACADEMIC

EXPERTS, LOCAL GOVERNMENT OFFICIALS, LOCAL SCHOOL DISTRICTS, HEALTH CARE

PROVIDERS AND COMMUNITY HEALTH CENTERS.

OVERLAKE HOSPITAL MEDICAL CENTER:

PART V, SECTION B, LINE 6A:

EVERGREEN HEALTH

CHI FRANCISCAN HEALTH

KAISER PERMANENTE

MULTICARE HEALTH SYSTEM

NAVOS

SEATTLE CANCER CARE ALLIANCE

SEATTLE CHILDREN'S

SWEDISH MEDICAL CENTER

UW MEDICINE

VIRGINIA MASON

OVERLAKE HOSPITAL MEDICAL CENTER:

PART V, SECTION B, LINE 6B:

PUBLIC HEALTH-SEATTLE & KING COUNTY

WASHINGTON STATE HOSPITAL ASSOCIATION

**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.

OVERLAKE HOSPITAL MEDICAL CENTER:

PART V, SECTION B, LINE 11: OVERLAKE HOSPITAL MEDICAL CENTER WILL ADDRESS

THE FOLLOWING HEALTH NEEDS THROUGH COMMITMENT OF COMMUNITY BENEFIT

PROGRAMS AND CHARITABLE RESOURCES. GOALS HAVE BEEN ESTABLISHED THAT

INDICATE THE ANTICIPATED IMPACT ON THESE HEALTH NEEDS AS A RESULT OF THE

RESOURCES THE HOSPITAL WILL COMMIT TO MEETING THE HEALTH NEEDS.

STRATEGIES TO ADDRESS THE PRIORITY HEALTH NEEDS ARE IDENTIFIED AND IMPACT

MEASURES WILL BE TRACKED. THE FOLLOWING SIGNIFICANT HEALTH NEEDS WERE

DETERMINED AND PRIORITIZED WITH INPUT FROM THE COMMUNITY:

MENTAL HEALTH - INCREASE ACCESS TO MENTAL HEALTHCARE RESOURCES AND

SERVICES. OVERLAKE WILL IMPLEMENT A MENTAL HEALTH COMMUNITY PROGRAM TO

DELIVER A SUICIDE PREVENTION CURRICULUM IN CONJUNCTION WITH LOCAL SCHOOLS

AND COMMUNITY MENTAL HEALTH SERVICES. EXPAND ACCESS TO EARLY INTERVENTION

AND SCREENING AND OTHER MENTAL HEALTH SERVICES- ESPECIALLY TO YOUTH

THROUGH OUR PARTNERSHIP WITH YOUTH EASTSIDE SERVICES. DEVELOP A PROGRAM TO

OFFER DEMENTIA AND ALZHEIMER'S DISEASE PREVENTION EDUCATION. CONTINUE AND

EXPAND CAREGIVER SUPPORT PROGRAMS THROUGH COLLABORATION WITH AEGIS, SEAMAR

AND YMCA. PROVIDE SUPPORTIVE SERVICES FOR CAREGIVERS OF PERSONS WITH

DEMENTIA. SUPPORT COMMUNITY ORGANIZATIONS THAT PROVIDE MENTAL HEALTH

SERVICES.

ACCESS TO CARE - INCREASE ACCESS TO HEALTHCARE FOR THE MEDICALLY

UNDERSERVED WITH A FOCUS ON THE CULTURALLY DIVERSE POPULATIONS OF THE

EASTSIDE. OVERLAKE WILL EXPAND OUTREACH ACTIVITIES WITH SOUTH ASIAN AND

SOUTHEAST ASIAN POPULATIONS IN PARTNERSHIP WITH COMMUNITY ORGANIZATIONS.

OVERLAKE WILL PROVIDE FINANCIAL ASSISTANCE BY OFFERING FREE AND DISCOUNTED

**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.

CARE FOR HEALTHCARE SERVICES, CONSISTENT WITH OVERLAKE'S FINANCIAL

ASSISTANCE POLICY.

CARDIOVASCULAR DISEASE - DECREASE HEART DISEASE AMONG VULNERABLE EASTSIDE

POPULATIONS. OVERLAKE WILL: IMPLEMENT EDUCATION AND OUTREACH PROGRAMS

TARGETED TO THE SOUTH ASIAN POPULATION (IDENTIFIED WITH A HIGHER RELATIVE

RISK), CONTINUE TO OFFER OVERLAKE'S WOMEN AND HEART SYMPOSIUM, AND

PARTICIPATE IN AND SPONSOR EDUCATION PROGRAMS WITH THE AMERICAN HEART

ASSOCIATION.

PREVENTIVE HEALTHCARE - INCREASE ACCESS TO CLINICAL PREVENTIVE SERVICES TO

REDUCE DEATH, DISABILITY, AND DISEASE. OVERLAKE WILL COMMIT THE FOLLOWING

RESOURCES TO ADDRESS THIS HEALTH NEED BY PROVIDING FREE FLU AND

PNEUMOCOCCAL VACCINES TO THE MEDICALLY UNDERSERVED, OFFER SENIOR WELLNESS

PROGRAMS, OFFER COLORECTAL CANCER SCREENINGS TARGETED TO THE HIGH RISK

MEMBERS OF THE SOUTHEAST ASIAN COMMUNITY, PROVIDE FREE DISEASE PREVENTION

AND AWARENESS PROGRAMS THROUGH PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS

SUCH AS THE AMERICAN CANCER SOCIETY AND THE AMERICAN HEART ASSOCIATION,

AND CONDUCT EDUCATION FOCUSED ON SMOKING AND VAPING PREVENTION AMONG

YOUTH.

OTHER HEALTH NEEDS - OVERLAKE HOSPITAL MEDICAL CENTER HAS CHOSEN NOT TO

ACTIVELY ADDRESS THE REMAINING HEALTH NEEDS OF OVERWEIGHT AND OBESITY AND

SEXUALLY TRANSMITTED INFECTIONS AS IDENTIFIED IN THE COMMUNITY HEALTH

NEEDS ASSESSMENT. TAKING EXISTING HOSPITAL AND COMMUNITY RESOURCES INTO

CONSIDERATION, OVERLAKE WILL CONCENTRATE ON THOSE HEALTH NEEDS THAT WE CAN

MOST EFFECTIVELY ADDRESS GIVEN OUR AREAS OF FOCUS AND EXPERTISE.

**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.

THEREFORE, THE HOSPITAL'S CHARITABLE RESOURCES WILL BE PLACED ON THE

SELECTED PRIORITY HEALTH NEEDS.

OVERLAKE HOSPITAL MEDICAL CENTER

PART V, LINE 16A, FAP WEBSITE:

[HTTPS://WWW.OVERLAKEHOSPITAL.ORG/FINANCIAL-ARRANGEMENTS](https://www.overlakehospital.org/financial-arrangements)

OVERLAKE HOSPITAL MEDICAL CENTER

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTPS://WWW.OVERLAKEHOSPITAL.ORG/FINANCIAL-ARRANGEMENTS](https://www.overlakehospital.org/financial-arrangements)

OVERLAKE HOSPITAL MEDICAL CENTER

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

[HTTPS://WWW.OVERLAKEHOSPITAL.ORG/FINANCIAL-ARRANGEMENTS](https://www.overlakehospital.org/financial-arrangements)

PART V, SECTION B, LINE 3E:

THE IDENTIFIED SIGNIFICANT HEALTH NEEDS WERE PRIORITIZED WITH INPUT

FROM THE COMMUNITY.

THE FOLLOWING CRITERIA WERE USED TO PRIORITIZE THE HEALTH NEEDS:

CHANGE OVER TIME - DETERMINATION IF THE HEALTH NEED HAS IMPROVED,

STAYED THE SAME OR WORSENEDED.

RESOURCES - AVAILABILITY OF RESOURCES IN THE COMMUNITY TO ADDRESS THE

HEALTH NEED.

**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? 26

Name and address	Type of Facility (describe)
1 OMC-CARDIOLOGY BELLEVUE 1135 116TH AVE. NE STE 600 BELLEVUE, WA 98004	CARDIOLOGY
2 OMC-URGENT & PRIMARY CARE ISSAQUAH 5708 E. LK SAMMAMISH PKWY SE STE 100 ISSAQUAH, WA 98029	URGENT/PRIMARY CARE
3 OMC-PULM/ENDOCRINOLOGY/PRIMARY CARE 1231 116TH AVE NE STE 400 BELLEVUE, WA 98004	PULMONOLOGY/ENDOCRINOLOGY/ PRIMARY CARE
4 OMC-NEUROLOGY 1135 116TH AVE NE STE 500 BELLEVUE, WA 98004	NEUROLOGY/NEUROSURGERY/ NEUROHOSPITAL
5 OMC-DT BELLEVUE PRIMARY/URGENT CARE 400 108TH AVE NE STE 100 BELLEVUE, WA 98004	PRIMARY/URGENT CARE
6 OMC-RAD ONCOLOGY PHYS/GYN/MEDICAL/BRE 1135 116TH AVE NE STE 200 BELLEVUE, WA 98004	ONCOLOGY/BREAST SURGERY/GYNECOLOGY
7 OMC-URGENT CARE REDMOND 17209 REDMOND WAY REDMOND, WA 98052	URGENT CARE
8 OMC-MUSCULOSKELETAL MED ISSAQUAH 1740 NW MAPLE ST STE 111 ISSAQUAH, WA 98027	MUSCULOSKELETAL MEDICINE
9 OMC-OP PHYS/SPEECH/OCCUP. THERAPY 1417 116TH AVE NE STE 110 BELLEVUE, WA 98004	PHYSICAL/SPEECH/OCCUPATIONAL
10 OMC-REDMOND PRIMARY & CARDIOLOGY 7345 164TH AVE NE STE 1-105 REDMOND, WA 98052	PRIMARY CARE/CARDIOLOGY

Schedule H (Form 990) 2019

**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? 26

Name and address	Type of Facility (describe)
11 OMC-CARDIACHTHORACIC SURGERY 1135 116TH AVE NE STE 605 BELLEVUE, WA 98004	CARDIACHTHORACIC SURGERY
12 OMC-OP PSYCH 1750 112TH AVE NE STE B-102 BELLEVUE, WA 98004	PSYCH SERVICES
13 OMC-URGENT & PRIMARY CARE LAKE HILL 619 156TH AVE SE BELLEVUE, WA 98007	URGENT CARE/PRIMARY CARE
14 OMC-KIRKLAND PRIMARY CARE/CARDIOLOGY 290 CENTRAL WAY KIRKLAND, WA 98033	PRIMARY CARE/CARDIOLOGY
15 OMC-SAMMAMISH PRIMARY & URGENT CARE 22630 SE 4TH ST STE 300 SAMMAMISH, WA 98074	PRIMARY CARE/URGENT CARE
16 OMC-CONCIERGE SERVICES 1231 116TH AVE NE STE 525 BELLEVUE, WA 98004	CONCIERGE SERVICES
17 OMC-SPECIALTY CLINIC BELLEVUE 1231 116TH AVE NE SUITE 515 BELLEVUE, WA 98004	BARIATRIC/METABOLIC SURGERY/MEDICAL WEIGHT LOSS
18 OMC-SENIOR HEALTH CLINIC BELLEVUE 1750 112TH AVE NE STE A101 BELLEVUE, WA 98004	SENIOR HEALTH SERVICES
19 OMC-CARDIOLOGY/PULM/SPECIALTY SERVICE 1740 NW MAPLE STE 207 ISSAQUAH, WA 98027	CARDIOLOGY/PULM/SPECIALTY/ NUTRITION/ENDOCRINOLOGY
20 OMC-COLORECTAL SURGERY 1135 116TH AVE NE STE 550 BELLEVUE, WA 98004	COLORECTAL

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.

PART I, LINE 3C:

IN ADDITION TO THE FPL CRITERIA, THERE IS A RESIDENCY REQUIREMENT TO  
EITHER BE A RESIDENT OF THE STATE OF WASHINGTON OR MEET AN EXCEPTION FOR  
NON-RESIDENTS. NON-RESIDENTS MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE  
WHILE RECEIVING SERVICES WITHIN THE EMERGENCY DEPARTMENT OR AS A RESULT OF  
A DIRECT ADMISSION FROM THE EMERGENCY DEPARTMENT. EXCEPTIONS TO THE  
WASHINGTON STATE RESIDENCY REQUIREMENT ALSO INCLUDE REFUGEES, ASYLEES, AND  
THOSE SEEKING ASYLUM THAT POSSESS AND CAN PRESENT INS DOCUMENTATION.

PART I, LINE 7:

THE COSTING METHODOLOGY FOR CHARITY CARE AND UNREIMBURSED MEDICAID WAS THE  
COST TO CHARGE METHOD USING THE COST TO CHARGE RATIO DERIVED FROM  
WORKSHEET 2. THE COMMUNITY HEALTH IMPROVEMENT COST, HEALTH PROFESSIONAL  
EDUCATION, RESEARCH AND CASH AND IN-KIND CONTRIBUTIONS ARE DIRECT COST AND  
DO NOT INCLUDE ANY INDIRECT COST. THE COST FOR SUBSIDIZED HEALTH SERVICES  
IS DERIVED FROM A COST ACCOUNTING SYSTEM THAT ADDRESSES ALL PATIENT  
SEGMENTS.



**Part VI** Supplemental Information (Continuation)

PART III, LINE 2:

PATIENT BILLS ARE REDUCED BY PAYMENTS, CONTRACTUAL ADJUSTMENTS, CHARITY  
ADJUSTMENTS, AND OTHER ADJUSTMENTS AS APPLICABLE. PATIENTS ARE THEN  
RESPONSIBLE FOR ANY REMAINING BALANCE. IF A PATIENT DOES NOT PAY THE  
BALANCE OR MAKE PAYMENT ARRANGEMENTS ACCORDING TO THE COLLECTION POLICY,  
THE BALANCE IS WRITTEN OFF TO BAD DEBT. THE BAD DEBT EXPENSE ON SCHEDULE  
H, PART III, LINES 2 AND 3 ARE ESTIMATED BASED ON THE COST TO CHARGE  
RATIO.

PART III, LINE 3:

THE HOSPITAL BELIEVES THAT APPROXIMATELY 72% OF THE BAD DEBT EXPENSE ARE  
RELATED TO PATIENTS THAT WOULD BE ELIGIBLE UNDER THE HOSPITAL'S CHARITY  
CARE GUIDELINES HAD THE PATIENT PROVIDED THE FINANCIAL INFORMATION  
NECESSARY TO MAKE THE DETERMINATION. THIS PERCENTAGE IS BASED ON RUNNING  
CREDIT CHECKS ON A SAMPLE OF ACCOUNTS THAT WERE BEING SENT TO BAD DEBTS.

PART III, LINE 4:

PROVISION FOR BAD DEBT FOOTNOTE ON ATTACHED AUDITED FINANCIAL STATEMENT  
PAGE 15, SECTION E.

PART III, LINE 8:

THE COSTING METHODOLOGY FOR MEDICARE ALLOWABLE COST IS DERIVED FROM FY20  
MEDICARE COST REPORT. THE HOSPITAL BELIEVES THAT ALL THE MEDICARE  
SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT. THE IRS COMMUNITY  
BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO MEDICARE PATIENTS AND  
THE HOSPITAL CONTINUES PROVIDING CARE TO THE MEDICARE BENEFICIARIES  
REGARDLESS OF THE SHORTFALL. BY ABSORBING THE MEDICARE SHORTFALL, THE  
HOSPITAL THEREBY RELIEVES THE FEDERAL GOVERNMENT OF THE BURDEN OF PAYING

**Part VI** Supplemental Information (Continuation)

THE FULL COST FOR MEDICARE BENEFICIARIES.

PART III, LINE 9B:

THE HOSPITAL WILL PLACE A PATIENT'S ACCOUNT ON HOLD WHEN A PATIENT'S ACCOUNT IS BEING CONSIDERED FOR CHARITY. ONCE A DETERMINATION HAS BEEN MADE THAT A PATIENT QUALIFIES FOR CHARITY CARE, THE PATIENT'S ACCOUNT IS REDUCED BY THE CHARITY AMOUNT GRANTED AND A LETTER IS SENT TO THE PATIENT NOTING THE CHARITY ADJUSTMENT. THE PATIENT MAY APPEAL THE DECISION IF HE/SHE BELIEVES THERE IS ADDITIONAL INFORMATION THAT SHOULD HAVE BEEN CONSIDERED OR THE FINANCIAL SITUATION HAS CHANGED. THE PATIENT IS RESPONSIBLE FOR ANY BALANCE REMAINING AFTER THE CHARITY ADJUSTMENT, IF ANY, AND THE COLLECTION PROCESS WILL CONTINUE IN THE NORMAL PROCESS.

PART VI, LINE 2:

IN 2018, THE HOSPITAL PARTICIPATED IN A COLLABORATIVE PROCESS FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT AS PART OF THE KING COUNTY HOSPITALS FOR A HEALTHIER COMMUNITY (HHC). HHC IS A COLLABORATIVE OF ALL 11 HOSPITALS AND HEALTH SYSTEMS IN KING COUNTY AND PUBLIC HEALTH-SEATTLE & KING COUNTY. THE HHC'S VISION IS TO PARTICIPATE IN A COLLABORATIVE APPROACH THAT IDENTIFIES COMMUNITY NEEDS, ASSETS, RESOURCES, AND STRATEGIES TOWARD ASSURING BETTER HEALTH AND HEALTH EQUITY FOR ALL KING COUNTY RESIDENTS. THIS SHARED APPROACH AVOIDS DUPLICATION AND FOCUSES AVAILABLE RESOURCES ON A COMMUNITY'S MOST IMPORTANT HEALTH NEEDS. HHC RECOGNIZES THAT PARTNERSHIPS BETWEEN HOSPITALS, PUBLIC HEALTH, COMMUNITY ORGANIZATIONS AND COMMUNITIES ARE KEY TO SUCCESSFUL STRATEGIES TO ADDRESS COMMON HEALTH NEEDS.

DATA ANALYSES WERE CONDUCTED AT THE MOST LOCAL LEVEL POSSIBLE FOR THE

**Part VI** Supplemental Information (Continuation)

MEDICAL CENTER'S PRIMARY SERVICE AREA, GIVEN THE AVAILABILITY OF THE DATA.

IN SOME CASES, DATA WERE ONLY AVAILABLE AT THE COUNTY LEVEL.

SIGNIFICANT HEALTH NEEDS WERE IDENTIFIED AND ANALYZED THROUGH A REVIEW OF

THE SECONDARY HEALTH DATA PRIOR TO THE INTERVIEWS. HEALTH NEEDS WERE

IDENTIFIED USING THE SIZE OF THE PROBLEM (RELATIVE PORTION OF POPULATION

AFFLICTED BY THE PROBLEM) AND THE SERIOUSNESS OF THE PROBLEM (IMPACT AT

INDIVIDUAL, FAMILY, AND COMMUNITY LEVELS). TO DETERMINE SIZE OR

SERIOUSNESS OF THE PROBLEM, THE HEALTH NEED INDICATORS WERE MEASURED

AGAINST BENCHMARK DATA (COUNTY RATES, STATE RATES AND/OR HEALTHY PEOPLE

2020 OBJECTIVES). INDICATORS RELATED TO THE HEALTH NEEDS THAT PERFORMED

POORLY AGAINST ONE OR MORE OF THESE BENCHMARKS MET THE CRITERION TO BE

CONSIDERED. SECONDARY DATA WAS COLLECTED FROM A VARIETY OF LOCAL, COUNTY

AND STATE SOURCES TO PRESENT A COMMUNITY PROFILE, BIRTH INDICATORS,

LEADING CAUSES OF DEATH, ACCESS TO CARE, CHRONIC DISEASE, COMMUNICABLE

DISEASE, HEALTH BEHAVIORS, SOCIAL ISSUES AND SCHOOL AND STUDENT

CHARACTERISTICS. WHEN AVAILABLE, THESE DATA SETS WERE PRESENTED IN THE

CONTEXT OF KING COUNTY AND WASHINGTON, FRAMING THE SCOPE OF AN ISSUE AS IT

RELATES TO THE BROADER COMMUNITY.

IN ADDITION, THE HOSPITAL CONDUCTED TARGETED INTERVIEWS TO GATHER

INFORMATION AND OPINIONS FROM PERSONS WHO REPRESENT THE BROAD INTEREST OF

THE COMMUNITY SERVED BY THE HOSPITAL. THE REPORT INCLUDES BENCHMARK

COMPARISON DATA, COMPARING THE HOSPITAL COMMUNITY DATA FINDINGS WITH

HEALTH PEOPLE 2020 OBJECTIVES.

PART VI, LINE 3:

INFORMATION ABOUT ASSISTANCE PROGRAMS STARTS AT THE POINT OF REGISTRATION.

**Part VI** Supplemental Information (Continuation)

PLACARDS DESCRIBING THE FINANCIAL ASSISTANCE PROGRAMS ARE AT ALL ADMITTING

REGISTRATION DESKS. FINANCIAL ASSISTANCE CAN TAKE THE FORM OF ASSISTANCE

IN QUALIFYING FOR MEDICAID, CHARITY, OR PROMPT PAY DISCOUNTS. FINANCIAL

COUNSELORS ARE AVAILABLE TO DISCUSS THE FINANCIAL ARRANGEMENTS FOR ALL

PATIENTS AND THEY DISCUSS THE FINANCIAL ASSISTANCE PROGRAM. THE FINANCIAL

COUNSELORS WILL ALSO ASSIST PATIENTS IN COMPLETING THE HOSPITAL'S CHARITY

CARE APPLICATION IF THE PATIENT BRINGS IN INFORMATION AND NEEDS HELP

COMPLETING THE APPLICATION. THE HOSPITAL ENGAGES AN OUTSIDE COMPANY TO

ASSIST PATIENTS WITH APPLYING FOR MEDICAID. GENERAL INFORMATION ABOUT THE

ASSISTANCE PROGRAMS IS THEN INCLUDED AS PART OF EACH PATIENT STATEMENT

THAT IS SENT TO A PATIENT AND INCLUDES THE PHONE NUMBER OF THE PATIENT

FINANCIAL SERVICES DEPARTMENT TO CALL FOR ASSISTANCE. IN ADDITION, AS PART

OF THE ACCOUNT FOLLOW UP, PATIENT FINANCIAL SERVICE REPRESENTATIVES WILL

CALL PATIENTS AFTER THEIR SECOND STATEMENT AND WILL DISCUSS PATIENT

FINANCIAL ASSISTANCE AS PART OF THE CALL. OVERLAKE'S CHARITY CARE POLICY

IS POSTED ON THE WASHINGTON STATE DEPARTMENT OF HEALTH'S WEBSITE AND ON

THE HOSPITAL'S WEBSITE.

PART VI, LINE 4:

THE SERVICE AREA FOR OVERLAKE IS DIVIDED INTO TWO MARKETS - LOCAL AND

OUTLYING - WITH THE LOCAL MARKET DIVIDED INTO FIVE SERVICE AREAS

(BELLEVUE, EAST, ISSAQUAH/SAMMAMISH, REDMOND/KIRKLAND AND SW) AND THE

OUTLYING MARKET DIVIDED INTO TWO SERVICE AREAS (NORTH AND SOUTH). THE

POPULATION OF THE OVERLAKE SERVICE AREA IS 897,978. CHILDREN AND YOUTH,

AGES 0-17, MAKE UP ALMOST ONE-FOURTH (24%) OF THE POPULATION OF THE

SERVICE AREA; 6.6% ARE 18-24 YEARS OF AGE, 30% ARE 25-44, 27.8% ARE 45-64,

AND 11.7% OF THE POPULATION ARE SENIORS, 65 YEARS OF AGE AND OLDER. THE

AREA HAS HIGHER RATES OF CHILDREN UNDER AGE 18 AND FEWER SENIORS WHEN

**Part VI** Supplemental Information (Continuation)

COMPARED TO THE COUNTY AND THE STATE. THE MAJORITY RACE/ETHNICITY IN THE  
SERVICE AREA IS WHITE/CAUCASIANS (66.1%) WHILE ASIANS MAKE UP 19.3% OF THE  
POPULATION, AND HISPANICS OR LATINOS ARE 7%.

POVERTY THRESHOLDS ARE USED FOR CALCULATING ALL OFFICIAL POVERTY  
POPULATION STATISTICS AND ARE UPDATED EVERY THREE YEARS BY THE COMMUNITY  
HEALTH NEEDS ASSESSMENT REPORT. THE NEXT UPDATE WILL BE IN 2021. IN THE  
OVERLAKE SERVICE AREA, 6.5% OF THE POPULATION WAS LIVING AT OR BELOW 100%  
OF THE FEDERAL POVERTY LEVEL (FPL) AND 14.7% WERE CONSIDERED LOW-INCOME  
(LIVING AT OR BELOW 200% FPL). THESE RATES ARE BETTER THAN COUNTY AND  
STATE. THE MEDIAN HOUSEHOLD INCOME IN THE SERVICE AREA IS \$101,457. THIS  
IS HIGHER MEDIAN INCOME THAN IN THE COUNTY (\$78,800) OR STATE (\$62,848).

PART VI, LINE 5:

THE HOSPITAL STAFF PARTICIPATES IN THE COUNTY WIDE DISASTER PREPAREDNESS  
GROUP AND IS THE BACK UP TO HARBORVIEW MEDICAL CENTER. THE HOSPITAL HAS AN  
OPEN MEDICAL STAFF MODEL. THE HOSPITAL OPERATES AN ACTIVE SCREENING  
PROGRAM IN WHICH WE OFFER FREE HEALTH SCREENINGS AT LEAST FOUR TIMES  
ANNUALLY AT COMMUNITY EVENTS. THE LARGEST ONE IS THE ANNUAL OVERLAKE  
EASTSIDE VITALITY COMMUNITY HEALTH FAIR IN WHICH WE PROVIDE OVER 2,000  
FREE SCREENINGS INCLUDING CHOLESTEROL, STROKE RISK, DIABETES AND SKIN  
CANCER. SCREENING RESULTS AND FREE COUNSELING ARE PROVIDED AT THE EVENTS.  
THOSE WHO NEED TO SEE A PHYSICIAN ARE GIVEN A LIST OF PROVIDERS, INCLUDING  
COMMUNITY MEDICAL CLINICS.

**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](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

**Employer identification number**

91-0652651

**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.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
OVERLAKE HOSPITAL FOUNDATION 1035 116TH AVE NE BELLEVUE, WA 98004	91-1050325	501(C)(3)	1,938,431.	0.			SUPPORT OPERATIONS
OVERLAKE HOSPITAL AUXILIARIES 1035 116TH AVE NE BELLEVUE, WA 98004	23-7297831	501(C)(3)	29,676.	0.			SUPPORT OPERATIONS
AMERICAN HEART ASSOCIATION PO BOX 4002030 DES MOINES, IA 50340	13-5613797	501(C)(3)	10,000.	0.			SPONSOR
AMERICAN CANCER SOCIETY 2120 1ST AVE N SEATTLE, WA 98109	13-1788491	501(C)(3)	15,000.	0.			SPONSOR
ASIAN COUNSELING AND REFERRAL SERVICES - 3639 MARTIN LUTHER KING JR. ST - SEATTLE, WA 98144	91-0916176	501(C)(3)	6,000.	0.			SPONSOR
BELLEVUE SCHOOLS FOUNDATION PO BOX 40644 BELLEVUE, WA 98015	91-1051671	501(C)(3)	10,000.	0.			SPONSOR

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... **12.**

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

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

**Schedule I (Form 990) (2019)**

**Part II** Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(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 non-cash assistance	(h) Purpose of grant or assistance
BLOODWORKS NW 921 TERRY AVE SEATTLE, WA 98104	91-1019655	501(C)(3)	10,000.	0.			SPONSOR
LAKE WASHINGTON SCHOOLS 16250 NE 74TH ST. REDMOND, WA 98052	55-0891792	501(C)(3)	10,000.	0.			SPONSOR
NAMI EASTSIDE 16225 NE 87TH ST, SUITE A9 REDMOND, WA 98052	91-2106510	501(C)(3)	7,500.	0.			SPONSOR
THE SOPHIA WAY 11061 NE 2ND ST., SUITE 223 BELLEVUE, WA 98004	45-4084539	501(C)(3)	10,000.	0.			SPONSOR
WASHINGTON POISON CENTER 155 NE 100TH ST., SUITE 100 SEATTLE, WA 98125	94-3214597	501(C)(3)	10,000.	0.			SPONSOR
YOUTH EASTSIDE SERVICES 999 164TH AVE NE BELLEVUE, WA 98008	91-0849093	501(C)(3)	10,000.	0.			SPONSOR

**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 noncash assistance

**Part IV**

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

PART I, LINE 2:

OVERLAKE HOSPITAL MEDICAL CENTER PERFORMS THE RECORD KEEPING FOR OVERLAKE

HOSPITAL FOUNDATION AND OVERLAKE HOSPITAL AUXILIARIES AND MONITORS ITS

OPERATING EXPENSES AS PART OF THE MONTHLY FINANCIAL REVIEW PROCESS. THE

GRANTS ARE REIMBURSEMENT FOR EXPENSES ALREADY INCURRED.

GRANTS TO SPONSOR EVENTS OF NON PROFIT ORGANIZATIONS ARE NOT MONITORED

BEYOND VERIFYING THAT THE EVENT OCCURRED.



**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

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

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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- 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?
- b** Any related organization?
- 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?
- b** Any related organization?
- 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

<b>1b</b>		
<b>2</b>		
<b>4a</b>	X	
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>	X	
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2019

**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) J. MICHAEL MARSH PRESIDENT & CEO	(i)	791,430.	282,526.	627,705.	113,274.	17,448.	1,832,383.	605,451.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) ABHNEET CHOWDHARY, MD NEUROSURGEON	(i)	902,929.	225,000.	30,313.	22,400.	8,621.	1,189,263.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) DEREK M. RODRIGUES, MD CARDIOLOGIST	(i)	833,934.	163,771.	50,589.	22,400.	19,003.	1,089,697.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) DAVID KNOEPFLER VP/CHIEF MEDICAL OFFICER	(i)	471,639.	111,296.	289,502.	70,784.	12,319.	955,540.	260,597.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) DAVID W. NELSON, MD CARDIOLOGIST	(i)	548,738.	159,402.	123,819.	22,400.	19,003.	873,362.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) ROBERT WOOCHUL RHO, MD CARDIOLOGIST	(i)	682,108.	108,650.	22,285.	16,800.	13,231.	843,074.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) THOMAS A. DEBORD COO	(i)	472,368.	111,841.	30,360.	56,664.	15,501.	686,734.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) KELAN R. KOENIG, MD OMC PHYSICIAN EXECUTIVE	(i)	433,803.	55,960.	26,395.	72,089.	18,894.	607,141.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) ANDREW J. TOKAR CFO	(i)	381,262.	68,570.	42,863.	67,043.	7,793.	567,531.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) CAITILN HILLARY MOULDING FORMER KEY EMPLOYEE	(i)	7,388.	0.	388,728.	0.	622.	396,738.	37,085.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) VALERIE CHRUSCIEL OMC COO	(i)	253,616.	47,658.	1,074.	51,046.	12,569.	365,963.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) MICHELLE CURRY VP/CHIEF NURSING OFFICER	(i)	271,312.	36,046.	1,594.	45,881.	7,543.	362,376.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**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.

PART I, LINE 7:

INCENTIVES IN 2019 WERE PAID TO J. MICHAEL MARSH, THOMAS A. DEBORD, ANDREW

J. TOKAR, KELAN R. KOENIG, VALERIE CHRUSCIEL, MICHELLE CURRY AND DAVID

KNOEPFLER. THE INCENTIVES ARE AWARDED BASED ON PRODUCTIVITY AND MEETING

CERTAIN INDIVIDUAL QUALITY GOALS.

PART I, LINE 4A

CAITLIN HILLARY MOULDING RECEIVED A SEVERANCE PAYMENT IN 2019 IN THE

AMOUNT OF \$308,780.

PART I, LINE 4B

J. MICHAEL MARSH, THOMAS A. DEBORD, DAVID KNOEPFLER, AND CAITLIN H.

MOULDING PARTICIPATED IN A BENEFIT WITHIN THE EXECUTIVE BENEFIT PLAN

CALLED THE CAPITAL ACCUMULATION ACCOUNT. THE CAPITAL ACCUMULATION

ACCOUNT IS CLASSIFIED AS A 457(F) PLAN BY THE IRS.

THE FOLLOWING AMOUNTS FROM THE CAPITAL ACCUMULATION ACCOUNT WERE PAID

IN 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.

J MICHAEL MARSH            \$605,451

DAVID KNOEPFLER            \$260,597

CAITLIN H MOULDING        \$ 37,085

THESE AMOUNTS WERE REPORTED AS DEFERRED COMPENSATION ON PRIOR FORMS

990. J. MICHAEL MARSH, DAVID KNOEPFLER AND CAITLIN H. MOULDING RECEIVED

REDEMPTION OF CREDITS IN THE CAPITAL ACCUMULATION ACCOUNT THAT HAD

BECOME VESTED.

**Supplemental Information on Tax-Exempt Bonds**

► **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**  
► **Attach to Form 990.** ► **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**  
**Open to Public Inspection**

Name of the organization  
OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number  
91-0652651

Part I	SEE PART VI FOR COLUMN (F) CONTINUATIONS											
(a) Issuer name		(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	WA HEALTH CARE FACILITIES	91-1108929	93978HKJ3	08/06/14	58,116,440.	REFUND PRIOR ISSUE-6/8/05		X		X		X
B	WA HEALTH CARE FACILITIES	91-1108929	93978HUA1	12/21/17	249,215,382.	CONSTRUCT, RENOVATE FACILITY, AND REFUND PRIO		X		X		X
C												
D												

<b>Part II Proceeds</b>									
		<b>A</b>		<b>B</b>		<b>C</b>		<b>D</b>	
<b>1</b>	Amount of bonds retired .....	10,135,000.							
<b>2</b>	Amount of bonds legally defeased .....								
<b>3</b>	Total proceeds of issue .....	58,151,860.		256,198,001.					
<b>4</b>	Gross proceeds in reserve funds .....								
<b>5</b>	Capitalized interest from proceeds .....			19,810.					
<b>6</b>	Proceeds in refunding escrows .....								
<b>7</b>	Issuance costs from proceeds .....	825,678.		1,653,471.					
<b>8</b>	Credit enhancement from proceeds .....								
<b>9</b>	Working capital expenditures from proceeds .....	60,425.							
<b>10</b>	Capital expenditures from proceeds .....			152,697,992.					
<b>11</b>	Other spent proceeds .....	57,265,757.		101,826,728.					
<b>12</b>	Other unspent proceeds .....								
<b>13</b>	Year of substantial completion .....	2008		2021					
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? .....		X		X				
<b>15</b>	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? .....	X		X					
<b>16</b>	Has the final allocation of proceeds been made? .....	X		X					
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds? .....	X		X					

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

Schedule K (Form 990) 2019

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? .....		X		X				
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? .....	X		X					
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X		X				
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? .....								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X		X				
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? .....								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....		.14 %		.11 %		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....		.00 %		.00 %		%		%
<b>6</b> Total of lines 4 and 5 .....		.14 %		.11 %		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X				
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? .....	X			X				
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		1.53 %		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....		X						
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....	X		X					

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X		X				
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....		X	X					
<b>b</b> Exception to rebate? .....		X		X				
<b>c</b> No rebate due? .....	X			X				
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed .....								
<b>3</b> Is the bond issue a variable rate issue? .....		X	X					

**Part IV Arbitrage** (continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X				
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the hedge terminated? .....								
<b>5a</b> Were gross proceeds invested in a guaranteed investment contract (GIC)? .....		X		X				
<b>b</b> Name of provider .....								
<b>c</b> Term of GIC .....								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .....								
<b>6</b> Were any gross proceeds invested beyond an available temporary period? .....		X		X				
<b>7</b> Has the organization established written procedures to monitor the requirements of section 148? .....	X		X					

**Part V Procedures To Undertake Corrective Action**

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

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: WA HEALTH CARE FACILITIES

(F) DESCRIPTION OF PURPOSE:

CONSTRUCT, RENOVATE FACILITY, AND REFUND PRIOR ISSUE (4/14/10)

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: WA HEALTH CARE FACILITIES

DATE THE REBATE COMPUTATION WAS PERFORMED: 07/01/2015

SCHEDULE K, PART II, LINE 3:

THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN

(E) DUE TO THE INVESTMENT EARNINGS.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**

**Open To Public  
Inspection**

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and section 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

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

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



**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
DARSHANA SHANBHAG	FAMILY MEMBER OF TR	12,092.	DARSHANA SH		X

**Part V Supplemental Information.**

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DARSHANA SHANBHAG

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF TRUSTEE DILIP WAGLE

(D) DESCRIPTION OF TRANSACTION: DARSHANA SHANBHAG IS EMPLOYED BY

OVERLAKE HOSPITAL MEDICAL CENTER.

**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.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

RESEARCH AND OTHER ACTIVITIES DESIGNED TO PROMOTE GENERAL HEALTH OF THE  
COMMUNITY. THE HOSPITAL'S MISSION IS TO PROVIDE COMPASSIONATE CARE FOR  
EVERY LIFE WE TOUCH.

FORM 990, PART I, LINE 6:

VOLUNTEERS PROVIDED 19,845 HOURS OF SERVICE TO OVERLAKE HOSPITAL  
MEDICAL CENTER DURING THE YEAR. VOLUNTEERS PROVIDE ASSISTANCE FOR  
PATIENTS AND GUESTS AT POINT OF ENTRY WITH INFORMATION, WAY-FINDING,  
AND TRANSPORTATION SERVICES. IN THE NURSING UNITS, VOLUNTEERS HELP  
ANSWER CALL LIGHTS AND PROVIDE COMFORT TO SUPPORT AND FACILITATE THE  
PHYSICAL, EMOTIONAL, MENTAL AND SPIRITUAL HEALTH AND SELF-HEALING OF  
THE PATIENT. INCLUDED IN THE TOTAL VOLUNTEERS ARE 17 BOARD MEMBERS  
THAT VOLUNTEERED THEIR TIME AS BOARD MEMBERS DURING THE YEAR.

FORM 990, PART III, LINE 4A:

HOSPITAL SERVICES:

OVERLAKE HOSPITAL MEDICAL CENTER IS A NONPROFIT, INDEPENDENTLY OPERATED  
REGIONAL CENTER SERVING THE EASTERN PUGET SOUND REGION WITH MEDICAL  
FACILITIES IN BELLEVUE, ISSAQUAH, KIRKLAND, REDMOND AND SAMMAMISH.  
FOUNDED IN 1953, TODAY OVERLAKE HOSPITAL IS A REGIONAL LEADER IN HEALTH  
CARE, PROVIDING ADVANCED MEDICAL SERVICES IN THE AREAS OF CARDIAC CARE,  
GENERAL AND SPECIALTY SURGERY, WOMEN'S SERVICES, CANCER CARE AND  
EMERGENCY SERVICES. THE HOSPITAL ALSO HAS A NETWORK OF NEIGHBORHOOD  
CLINICS IN ITS PRIMARY SERVICE AREA. THERE WERE 15,371 PATIENTS

ADMITTED FOR INPATIENT MEDICAL CARE FOR A TOTAL OF 64,139 PATIENT DAYS.

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

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization OVERLAKE HOSPITAL MEDICAL CENTER	Employer identification number 91-0652651
--	--

THERE WERE 225,814 OUTPATIENT VISITS OF WHICH 47,738 WERE FOR EMERGENCY CARE VISITS. THE HOSPITAL DELIVERED 3,553 BABIES. OVERLAKE MEDICAL CLINICS PROVIDED 314,169 PATIENT VISITS. OVERLAKE HOSPITAL DEMONSTRATED A COMMITMENT TO IMPROVING THE HEALTH OF THE COMMUNITY BY SUPPORTING MANY HEALTH-RELATED EVENTS, PROGRAMS, CLINICAL RESEARCH AND VARIOUS CONTRIBUTIONS THROUGHOUT THE YEAR THAT HAD A DIRECT BENEFIT TO THE COMMUNITY. THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES. OVERLAKE HOSPITAL PROVIDED CARE TO 7,706 PATIENTS WHO WERE UNINSURED OR UNDER INSURED AT AN ESTIMATED COST OF \$6,314,000. THE HOSPITAL PROVIDED CARE TO MEDICAID PATIENTS AT RATES BELOW THE COST OF PROVIDING SERVICES. THE PAYMENTS WERE LESS THAN COST BY \$20,608,000. IN KEEPING WITH THE HOSPITAL'S SPIRIT OF GIVING BACK TO THE COMMUNITY, IT PROVIDED A TOTAL OF \$5,942,000 OF COMMUNITY BENEFIT SERVICE ACTIVITIES.

AS THE HEALTH CARE NEEDS OF OUR COMMUNITY INCREASE AND GROW MORE COMPLEX, OVERLAKE HAS STRENGTHENED ITS COMMITMENT TO PROVIDING THE MOST ADVANCED TREATMENT AND TECHNOLOGY ALONGSIDE COMPASSIONATE CARE EVERY DAY. WITH HEALTH CARE PROMINENT IN THE NATIONAL DEBATE, OVERLAKE MEDICAL CENTER IS GIVING EASTSIDE RESIDENTS AN OPPORTUNITY FOR A WIDE VARIETY OF FREE HEALTH SCREENINGS WHERE THE BARRIERS OF BOTH COST AND LANGUAGE ARE REMOVED. THE SCREENINGS ARE FREE AND DO NOT REQUIRE PATIENTS TO HAVE HEALTH INSURANCE. THE FREE SCREENINGS INCLUDE CHOLESTEROL, BLOOD PRESSURE, BODY MASS INDEX, CARDIAC AND DIABETES RISK ASSESSMENTS. CONSULTATIONS WITH A HEALTH CARE PROVIDER WILL ALLOW PATIENTS TO UNDERSTAND WHAT SCREENING RESULTS MEAN. FURTHERMORE, NOT WANTING LANGUAGE TO BE A BARRIER TO PATIENTS NOT FLUENT IN ENGLISH,

Name of the organization OVERLAKE HOSPITAL MEDICAL CENTER	Employer identification number 91-0652651
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OVERLAKE OFFERS INTERPRETERS IN MULTIPLE LANGUAGES INCLUDING MANDARIN, CANTONESE, HINDI, SPANISH AND RUSSIAN. IT IS PART OF OVERLAKE'S MISSION TO BRING HEALTH CARE OUT INTO THE COMMUNITY, TO MAKE IT ACCESSIBLE TO ALL PEOPLE AND THESE COMPLIMENTARY SCREENINGS HELP US FULFILL OUR MISSION IN A MEANINGFUL WAY.

THE FUTURE IS NOW:

PROJECT FUTURECARE, OUR \$250 MILLION CAMPUS RENEWAL, SUPPORTED BY A \$50 MILLION FUNDRAISING CAMPAIGN, IS WELL ON ITS WAY TO TRANSFORMING OVERLAKE. THE PROJECT REPLACES AN AGING BUILDING WITH A STATE-OF-THE-ART FACILITY THAT WILL EXTEND AND SUPPORT OUR WORLD-CLASS CARE. NEW OPERATING ROOMS WILL INCREASE THE NUMBER OF HEART PATIENTS WE CAN CARE FOR. THE CHILDBIRTH CENTER IN THE NEW BUILDING WILL INCLUDE BEAUTIFUL ROOMS WITH SPACE TO WELCOME FAMILY MEMBERS AND A HOST OF UPGRADED FEATURES. AN EXPANDED MENTAL HEALTH UNIT WILL MAKE CARE MORE ACCESSIBLE FOR PATIENTS WHO COME TO US WITH MENTAL HEALTH AS WELL AS MEDICAL CHALLENGES. IN 2018, SUPPORT FROM THE COMMUNITY HELPED THE OVERLAKE NEUROSCIENCE INSTITUTE OPEN THE FIRST AND ONLY EPILEPSY CLINIC ON THE EASTSIDE. PATIENTS WITH SEIZURE DISORDERS CAN NOW RECEIVE DIAGNOSTIC AND TREATMENT SERVICES CLOSE TO HOME.

ACHIEVEMENT AWARDS RECEIVED IN 2020:

1. THE AMERICAN HEART ASSOCIATION/AMERICAN STROKE ASSOCIATION HAS HONORED OVERLAKE MEDICAL CENTER& CLINICS WITH THE 2020 GET WITH THE GUIDELINES STROKE GOLD PLUS QUALITY ACHIEVEMENT AWARD. OVERLAKE EARNED THE AWARD BY MEETING SPECIFIC QUALITY ACHIEVEMENT MEASURES FOR THE DIAGNOSIS AND TREATMENT OF STROKE PATIENTS AT A SET LEVEL FOR A DESIGNATED PERIOD.

Name of the organization OVERLAKE HOSPITAL MEDICAL CENTER	Employer identification number 91-0652651
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2. HEALTHGRADES HONORS OVERLAKE MEDICAL CENTER & CLINICS AS THE ONLY

HOSPITAL IN WASHINGTON STATE TO ACHIEVE THE GYNCOLOGIC SURGERY

EXCELLENCE AWARD FOR 3 YEARS IN A ROW. THE GYNCOLOGIC SURGERY

EXCELLENCE AWARD PROVIDES HEALTHCARE CONSUMERS WITH MORE TRANSPARENCY

ABOUT HOSPITALS THAT HAVE EXCEPTIONAL CLINICAL OUTCOMES IN PROCEDURES

THAT TREAT DISEASES AND CONDITIONS OF THE FEMALE REPRODUCTIVE SYSTEM.

3. OVERLAKE MEDICAL CENTER NAMED AMONG 100 BEST HOSPITALS IN NATION FOR

JOINT REPLACEMENT IN 2020 BY HEALTHGRADES FOR THE SECOND YEAR IN A ROW.

ROUGHLY 1,400 PATIENTS UNDERGO TOTAL JOINT REPLACEMENT SURGERIES EACH

YEAR AT OVERLAKE. ROBUST PRE-OPERATION EDUCATION INCLUDES INFORMATION

ABOUT FALL RISK, INFECTION PREVENTION AND CUSTOMIZED REHABILITATION

PROGRAMS. THESE PROGRAMS, ALONG WITH AVERAGE HOSPITAL STAYS OF 1.5

DAYS, HAVE RESULTED IN LOWER READMISSIONS AND IMPROVED OUTCOMES.

4. OVERLAKE MEDICAL CENTER & CLINICS BECOMES THE FIRST WESTERN

WASHINGTON HOSPITAL HONORED FOR HEPATITIS B VACCINE BIRTH DOSE RATE.

OVERLAKE MEDICAL CENTER HAS BEEN RECOGNIZED BY THE IMMUNIZATION ACTION

COALITION (IAC) AND SEATTLE & KING COUNTY PUBLIC HEALTH FOR ACHIEVING

ONE OF THE HIGHEST REPORTED VACCINATION RATES IN THE STATE FOR ITS WORK

TO PROTECT NEWBORNS FROM HEPATITIS B.

5. HEALTHGRADES HAS RECOGNIZED OVERLAKE MEDICAL CENTER & CLINICS AS

AMONG THE TOP 10% OF PATIENT SAFETY EXCELLENCE AWARD (PSEA) RECIPIENTS

IN NATION FOR THE SECOND YEAR IN A ROW. OVERLAKE IS THE ONLY HOSPITAL

IN THE SEATTLE-BELLEVUE-EVERETT AREA TO ACHIEVE THIS AWARD THE LAST TWO

YEAR IN A ROW.

Name of the organization OVERLAKE HOSPITAL MEDICAL CENTER	Employer identification number 91-0652651
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FORM 990, PART VI, SECTION A, LINE 7A:

OVERLAKE HOSPITAL ASSOCIATION HAS THE RIGHT TO APPOINT AND REMOVE OVERLAKE  
HOSPITAL MEDICAL CENTER'S TRUSTEES.

FORM 990, PART VI, SECTION A, LINE 7B:

OVERLAKE HOSPITAL ASSOCIATION MUST APPROVE:

(A) ANY SALE OR LEASE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE  
CORPORATION;

(B) ANY INCREASED INDEBTEDNESS EXCEEDING FIVE PERCENT OF THE GROSS PATIENT  
SERVICE REVENUE DURING A FISCAL YEAR OF THE CORPORATION;

(C) THE ANNUAL BUDGET OF THE CORPORATION AND ANY MATERIAL AMENDMENTS  
THERE TO;

(D) THE AUDITORS OF THE CORPORATION; AND

(E) ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS OF THE  
CORPORATION.

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

THE 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM. THE 990 IS THEN  
REVIEWED BY THE PRESIDENT & CEO, CFO, CHIEF HUMAN RESOURCES AND COMPLIANCE  
OFFICER, AND THE OVERLAKE HOSPITAL MEDICAL CENTER AUDIT AND COMPLIANCE  
COMMITTEE. THE 990 IS SENT TO THE OVERLAKE HOSPITAL MEDICAL CENTER BOARD  
MEMBERS PRIOR TO SUBMISSION TO THE IRS.

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

BOARD MEMBERS AND MANAGEMENT ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT  
SUCH PERSON:

1) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY

Name of the organization OVERLAKE HOSPITAL MEDICAL CENTER	Employer identification number 91-0652651
--	--

2) HAS READ AND UNDERSTANDS THE POLICY

3) HAS AGREED TO COMPLY WITH THE POLICY, AND

4) UNDERSTANDS THAT THE CORPORATION IS A CHARITABLE ORGANIZATIONS AND THAT

IN ORDER TO MAINTAIN THEIR FEDERAL TAX EXEMPTION THEY MUST AVOID CONFLICTS

OF INTEREST AND ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE

OF THEIR TAX-EXEMPT FUNCTIONS.

A LIST OF ALL FINANCIAL INTEREST OR OTHER RELATIONSHIPS WITH ANY

ORGANIZATIONS THAT HAS, OR CAN REASONABLY EXPECTED TO HAVE, A TRANSACTION

WITH THE CORPORATION, COMPETES AGAINST THE CORPORATION, OR WHOSE INTEREST

MATERIALLY CONFLICTS WITH THE INTEREST OF THE CORPORATION IS SUBMITTED

ANNUALLY TO THE OVERLAKE HOSPITAL MEDICAL CENTER COMPLIANCE OFFICER FOR

REVIEW. THE COMPLIANCE OFFICER SUMMARIZES ANY CONFLICTS OF INTEREST AND

DISCUSSES THESE RESULTS WITH THE CHAIR OF THE AUDIT & COMPLIANCE COMMITTEE,

CEO AND GENERAL COUNSEL. THIS INFORMATION IS ALSO SHARED WITH THE CHAIR,

COMMITTEE CHAIRS, AND CFO. AT BOARD MEETINGS, MEMBERS ARE EXPECTED TO

RECUSE THEMSELVES FROM VOTING ON ISSUES WHEN THERE IS A CONFLICT OF

INTEREST.

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

OVERLAKE'S POLICY AND PROCESS FOR EXECUTIVE COMPENSATION IS FULLY

DOCUMENTED IN THE "EXECUTIVE COMPENSATION ADMINISTRATION AND COMPLIANCE

MANUAL" WHICH WAS LAST UPDATED IN NOVEMBER OF 2016. THIS MANUAL DETAILS

THE CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD, THE COMPENSATION

PHILOSOPHY AND HOW SALARY INCREASES, INCENTIVES AND BENEFITS AND

PERQUISITES ARE ADMINISTERED. COMPENSATION COMMITTEE MEMBERS ARE

INDEPENDENT BOARD MEMBERS AS REQUIRED BY THE CHARTER AND BY-LAWS. THE

PROCESS INCLUDES AN INDEPENDENT CONSULTANT WHO WORKS DIRECTLY FOR THE

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

COMPENSATION COMMITTEE AND REVIEW OF COMPARABLE DATA FROM EXTERNAL SOURCES.

ALL COMPENSATION RELATED DECISIONS FOR THE CEO, COO AND OTHER EXECUTIVES

ARE DISCUSSED, DELIBERATED AND VOTED ON BY THE COMPENSATION COMMITTEE AND

DOCUMENTED IN THE MINUTES OF THE MEETING. THE COMPENSATION AND INCENTIVE

PAYMENT OF THE CEO IS REVIEWED AND APPROVED BY THE FULL BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

OVERLAKE HOSPITAL MAKES ITS DISCLOSURE OF GOVERNING DOCUMENTS, CONFLICT OF

INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS AVAILABLE THROUGH THE

HOSPITAL'S ADMINISTRATION OFFICE. THE OVERLAKE HOSPITAL ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS ARE AVAILABLE ON THE OVERLAKE MEDICAL

CENTER'S WEBSITE.



**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

**Open to Public  
Inspection**

Name of the organization

OVERLAKE HOSPITAL MEDICAL CENTER

Employer identification number

91-0652651

**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
OVERLAKE MEDICAL CLINICS, LLC - 91-1932954 1035 116TH AVENUE NE BELLEVUE, WA 98004	MEDICAL CLINICS	WASHINGTON	62,947,381.	43,717,870.	OVERLAKE HOSPITAL MEDICAL CENTER
OVERLAKE PROVIDER NETWORK, LLC - 47-4545130 1035 116TH AVENUE NE BELLEVUE, WA 98004	CLINICALLY INTEGRATED NETWORK	WASHINGTON			OVERLAKE HOSPITAL MEDICAL CENTER

**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
OVERLAKE HOSPITAL FOUNDATION - 91-1050325 1035 116TH AVE NE BELLEVUE, WA 98004	FUNDRAISING	WASHINGTON	501(C)(3)	7 - 509(A)(1)	OVERLAKE HOSPITAL MEDICAL CENTER	X	
OVERLAKE HOSPITAL AUXILIARIES - 23-7297831 1035 116TH AVE NE BELLEVUE, WA 98004	FUNDRAISING	WASHINGTON	501(C)(3)	7 - 509(A)(1)	OVERLAKE HOSPITAL MEDICAL CENTER	X	
OVERLAKE HOSPITAL ASSOCIATION - 91-1274134 1035 116TH AVE NE BELLEVUE, WA 98004	PROVIDE SUPPORT	WASHINGTON	501(C)(3)	12B - TYPE II	N/A	X	

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

Schedule R (Form 990) 2019

## Part III

[illegible]

## Part IV

[illegible]

**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
<b>1</b> 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?		
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....	<b>1a</b> X	
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b> X	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b> X	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	X
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	X
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	X
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	X
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	X
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b> X	
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b> X	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b> X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b> X	
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	X
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	X
<b>2</b> 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) OVERLAKE HOSPITAL FOUNDATION	B	1,938,431.	CASH
(2) OVERLAKE HOSPITAL FOUNDATION	C	8,967,334.	CASH
(3) OVERLAKE HOSPITAL FOUNDATION	N	101,071.	CASH
(4) OVERLAKE HOSPITAL FOUNDATION	O	325,463.	CASH
(5) OVERLAKE HOSPITAL AUXILIARIES	B	29,676.	CASH
(6) OVERLAKE HOSPITAL AUXILIARIES	N	21,859.	CASH

**Part V** Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(7) OVERLAKE HOSPITAL AUXILIARIES	O	41,397.	CASH
(8) OVERLAKE HOSPITAL AUXILIARIES	Q	7,937.	CASH
(9) OVERLAKE HOSPITAL ASSOCIATION	A	6,831,396.	FMV
(10) OVERLAKE HOSPITAL ASSOCIATION	C	2,800,000.	CASH
(11) OVERLAKE HOSPITAL ASSOCIATION	O	175,422.	CASH
(12) OVERLAKE HOSPITAL ASSOCIATION	P	511,624.	CASH
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

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.

[illegible]

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

Electronic Filing PDF Attachment



## **OVERLAKE HOSPITAL ASSOCIATION**

Consolidated Financial Statements  
and Consolidating Information

June 30, 2020 and 2019

(With Independent Auditors' Report Thereon)





KPMG LLP  
Suite 2900  
1918 Eighth Avenue  
Seattle, WA 98101

## **Independent Auditors' Report**

The Board of Directors  
Overlake Hospital Association:

### *Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of Overlake Hospital Association and its subsidiaries, which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Overlake Hospital Association and its subsidiaries as of June 30, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



### *Emphasis of Matters*

As discussed in Note 1 to the consolidated financial statements, in 2020 Overlake Hospital Association adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), requiring the recognition of lease right-of-use assets and liabilities on the consolidated balance sheet and enhanced financial statement disclosures, and ASU 2016-01, *Financial Instruments – Overall* (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*, requiring a change in the presentation of equity investments classified as other-than-trading. Our opinion is not modified with respect to these matters.

### *Other Matters*

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules 1 and 2 is presented for the 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

November 12, 2020

# OVERLAKE HOSPITAL ASSOCIATION

## Consolidated Balance Sheets

June 30, 2020 and 2019

(In thousands)

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Current assets:		
Cash and cash equivalents	\$ 38,110	20,770
Receivables, net	76,015	68,667
Current portion of pledges receivable	4,357	2,691
Current portion of assets whose use is limited	6,677	6,654
Supplies inventory	9,196	9,968
Prepaid expenses	10,739	11,218
Other current assets	6,246	5,043
Total current assets	151,340	125,011
Assets whose use is limited:		
Restricted by donors	11,354	11,547
Management designated	4,331	4,180
Funds held under bond indenture and collateral agreements	6,677	80,868
Less current portion	(6,677)	(6,654)
Total assets whose use is limited, net of current portion	15,685	89,941
Investments	502,307	498,491
Long-term portion of pledges receivable, net	4,919	6,142
Other long-term receivables, net	3,078	1,566
Land, buildings, and equipment, net	376,930	290,680
Operating lease right-of-use assets	33,862	—
Other assets:		
Investments in joint ventures	2,755	2,901
Other assets	3,834	1,786
Total other assets	6,589	4,687
Total assets	\$ 1,094,710	1,016,518

# OVERLAKE HOSPITAL ASSOCIATION

## Consolidated Balance Sheets

June 30, 2020 and 2019

(In thousands)

<b>Liabilities and Net Assets</b>	<b>2020</b>	<b>2019</b>
Current liabilities:		
Accounts payable	\$ 25,503	23,694
Accrued liabilities	58,220	50,606
Accrued interest payable	5,181	5,427
Payable to third-party agencies	9,435	7,862
Medicare advanced funding	35,000	—
Current portion of long-term debt	5,652	5,449
Current portion of operating lease right-of-use liabilities	5,887	—
Total current liabilities	144,878	93,038
Long-term debt, net of current portion	293,064	300,460
Long-term operating lease right-of-use liabilities, net of current portion	31,399	—
Other long-term liabilities	13,697	10,890
Total liabilities	483,038	404,388
Net assets:		
Without donor restrictions	590,626	592,061
With donor restrictions	21,046	20,069
Total net assets	611,672	612,130
Total liabilities and net assets	\$ 1,094,710	1,016,518

See accompanying notes to consolidated financial statements.

# OVERLAKE HOSPITAL ASSOCIATION

## Consolidated Statements of Operations and Changes in Net Assets

Years ended June 30, 2020 and 2019

(In thousands)

	2020	2019
Operating revenue:		
Patient service revenue	\$ 543,956	559,660
Other operating revenue	31,661	11,317
Contribution revenue	3,464	3,167
Net operating revenue	579,081	574,144
Operating expenses:		
Salaries	264,286	247,016
Registry	14,049	8,799
Employee benefits	64,192	58,613
Supplies	101,988	98,818
Purchased services	60,876	54,869
Interest and amortization	7,377	8,784
Depreciation and amortization	33,185	33,555
Rent, leases, and utilities	12,918	12,783
Hospital taxes and assessments	17,753	17,359
Marketing, insurance, and other	19,326	16,458
Total operating expenses	595,950	557,054
(Deficit) excess of revenue over expenses from operations	(16,869)	17,090
Nonoperating revenue (expense), net:		
Investment income	12,088	10,858
Pension plan settlement expense	—	(13,090)
Total nonoperating revenue (expense), net	12,088	(2,232)
(Deficit) excess of revenue over expenses	(4,781)	14,858
Other changes in net assets without donor restrictions:		
Net assets released for capital acquisitions	3,176	4,876
Change in pension liability	—	14,902
Change in net unrealized gains on investments	—	10,389
Other	170	244
(Decrease) increase in net assets without donor restrictions	(1,435)	45,269
Changes in net assets with donor restrictions:		
Contributions	7,106	10,114
Investment income	431	431
Change in net unrealized (losses) gains on investments	(214)	83
Net assets released from restrictions	(6,346)	(7,738)
Increase in net assets with donor restrictions	977	2,890
(Decrease) increase in net assets	(458)	48,159
Net assets, beginning of year	612,130	563,971
Net assets, end of year	\$ 611,672	612,130

See accompanying notes to consolidated financial statements.

**OVERLAKE HOSPITAL ASSOCIATION**

Consolidated Statements of Cash Flows

Years ended June 30, 2020 and 2019

(In thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (458)	48,159
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	31,441	31,811
Loss (gain) on disposal of land, buildings and equipment	93	(34)
Restricted contributions received for capital and permanently restricted purposes	(4,100)	(5,908)
Net realized and unrealized losses on investments and management designated assets whose use is limited	3,771	10,913
Equity losses (earnings) from joint ventures	146	(161)
Change in right of use assets and lease liabilities	3,424	—
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Receivables, net	(7,348)	(7,880)
Pledges receivable	(443)	(1,932)
Supplies inventory	772	(224)
Prepaid expenses	479	(496)
Other current assets	(1,203)	476
Other long-term receivables	(1,512)	1,477
(Decrease) increase in:		
Accounts payable	(866)	847
Accrued liabilities	7,614	(5,562)
Accrued interest payable	(246)	(272)
Payable to third-party agencies	1,573	633
Medicare advanced funding	35,000	—
Pension liability	—	(5,438)
Other long-term liabilities	2,807	(564)
Net cash provided by operating activities	<u>70,944</u>	<u>65,845</u>
Cash flows from investing activities:		
Purchase of land, buildings, and equipment	(116,835)	(69,671)
Proceeds from disposal of land, buildings and equipment	—	50
Proceeds from sale of investments and assets whose use is limited	96,051	68,192
Purchase of investments and assets whose use is limited	(29,405)	(74,039)
Purchase of other assets	(2,066)	—
Net cash used in investing activities	<u>(52,255)</u>	<u>(75,468)</u>
Cash flows from financing activities:		
Restricted contributions received for capital and permanently restricted purposes	4,100	5,908
Principal payments on long-term debt	(5,449)	(5,245)
Net cash (used in) provided by financing activities	<u>(1,349)</u>	<u>663</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	17,340	(8,960)
Cash, cash equivalents, and restricted cash, beginning of year	<u>20,770</u>	<u>29,730</u>
Cash, cash equivalents, and restricted cash, end of year	\$ <u>38,110</u>	<u>20,770</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest, net of amounts capitalized	\$ 7,623	9,056
Purchase of land, buildings, and equipment included in accounts payable	7,889	5,214

See accompanying notes to consolidated financial statements.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

#### **(1) Description of Organization and Summary of Significant Accounting Policies**

##### **(a) Organization**

Overlake Hospital Association (the Association) is a 501(c)(3) not-for-profit corporation located in Bellevue, Washington. The purpose of the Association is to promote and conduct health-related activities through its affiliation with other health-related organizations. The Association owns buildings adjacent to the Overlake Hospital Medical Center campus and currently leases space for mixed office use.

Overlake Hospital Medical Center (the Hospital) is a 501(c)(3) not-for-profit corporation located in Bellevue, Washington. The Hospital's primary service area is from Bothell to Black Diamond and from the Cascade Mountains to Lake Washington, including Mercer Island. The Hospital provides inpatient, outpatient, and emergency care services. The Hospital is controlled by the Association.

The Hospital is affiliated with other healthcare related organizations including the following:

Overlake Medical Clinics, LLC (the Clinics) was formed to establish, own, and operate primary care clinics and other outpatient healthcare entities. The Hospital is the sole member of the Clinics.

Overlake Hospital Foundation (the Foundation) is a 501(c)(3) not-for-profit corporation. The purpose of the Foundation is to: (a) receive grants, bequests, donations, and contributions on behalf of; (b) provide fund-raising and other support to; and (c) make contributions to the Hospital and its related tax-exempt corporations. The Foundation is controlled by the Hospital.

Overlake Hospital Auxiliaries (the Auxiliaries) is a 501(c)(3) not-for-profit corporation. The purpose of the Auxiliaries is to promote, support, and advance the well-being of the Hospital through a variety of ways including serving as goodwill ambassadors to the community, conducting fund-raising activities, maintaining membership strength, and providing services to the Hospital for the benefit of its patients and their families. The Auxiliaries are controlled by the Hospital.

Overlake Medical Tower LLC (the Medical Tower) was formed to acquire, own, develop, and operate a medical office building and garage complex on the Hospital's campus. The Association is the sole member of the Medical Tower.

The consolidated financial statements of the Association include the accounts of the Association and all of the above listed affiliates.

##### **(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include the provision for contractual allowances and uncollectible accounts, fair value of financial instruments, reserves for employee benefit obligations, and self-insurance reserves for professional liability and workers' compensation.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

**(c) Basis of Presentation**

The consolidated financial statements include the accounts of the Association and its affiliates. All significant intercompany transactions between the Association and its affiliates have been eliminated in consolidation.

**(d) Cash and Cash Equivalents**

The Association maintains cash on deposit at financial institutions, which at times exceed the limits insured by the Federal Deposit Insurance Corporation. This exposes the Association to potential risk of loss in the event the financial institution becomes insolvent.

**(e) Pledges Receivable**

Pledges of financial support are recorded at fair value by the Association when a donor's unconditional promise to give has sufficient definition with respect to the amount and planned timing of the donation. Conditional promises to give and intentions to give are reported at fair value at the earlier of when the contingency is met or the date the gift is received. An allowance for uncollectible pledges is recorded based on an estimated percentage of pledges that may not be collectible based on historical experience. The Association anticipates collection of net pledges receivable over the next one to ten years. Pledges over \$250 not scheduled to be collected within one year are discounted using a discount factor based upon an estimate of the risk factor and duration of each pledge.

**(f) Assets Whose Use is Limited**

Certain assets of the Association are held in trust under indenture agreements, are restricted by donor stipulations, or are management designated. Assets that have been management designated are subject to change in the future. These assets consist primarily of cash, accrued interest, money market funds, bond mutual funds, and equity mutual funds, and are recorded at fair value.

**(g) Investments**

Investments consist primarily of cash, accrued interest, money market funds, bond mutual funds, and equity mutual funds, and are recorded at fair value. Investments are classified as other-than-trading with unrealized gains and losses included in current earnings as nonoperating revenue (expense), net upon the adoption of ASU 2016-01 in 2020. In 2019 unrealized gains and losses were included in net assets.

**(h) Other-Than-Temporary Impairment**

In 2019 and prior, the Association reviewed investments each period and assessed whether an other-than-temporary impairment occurred. Each investment within the portfolio was evaluated individually. Major factors that were considered were: 1) fair value of the investment is below cost, 2) loss has been sustained over an extended period of time, and 3) whether the Association intends to sell or could be required to sell the investment security, or, if not, whether it has the ability to hold an investment for a reasonable period of time sufficient for a forecasted recovery of fair value up to or beyond the cost of the investment. Additional factors that were considered include, but are not limited to: 1) credit risk of the investment, 2) decline attributable to adverse conditions specifically related to the investment, its industry, or geography, 3) investment has been downgraded by a rating agency,



## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

4) dividends have been reduced or eliminated or scheduled interest has not been paid, 5) changes in the value of the investment after the close of the period, 6) trading in the investment has been suspended, and 7) discussion with investment advisor.

A decline in the market value of any other-than-trading security below cost that was deemed to be other-than-temporary resulted in an impairment to reduce the carrying amount to fair market value. The impairment was charged against nonoperating revenue and a new cost basis for the security was established. With the adoption of ASU 2016-01, the Association's investments will no longer be subject to other-than-temporary impairment tests as all investment holdings are in mutual funds which are accounted for similar to equity securities.

#### **(i) Liquidity**

Cash and cash equivalents, accounts receivable, and current assets are the primary liquid resources available to the Association to meet expected expenditure needs within the next year. Although intended to satisfy long-term obligations and capital needs, management estimates that approximately 89% and 87% of investments and virtually all of its current assets, as stated at June 30, 2020 and 2019, respectively, could be utilized within a year if needed while continuing to satisfy bond covenants.

#### **(j) Land, Buildings, and Equipment**

Land, buildings, and equipment acquisitions over \$3 with a useful life of at least two years are recorded at cost. Improvements and replacements of buildings and equipment are capitalized; maintenance and repairs are expensed. The cost of land, buildings, and equipment sold or retired and the related accumulated depreciation are removed from the records and any resulting gain or loss is recorded. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets or lease term if shorter.

The fair value of a long-lived asset may change due to a number of factors such as a significant decrease in the market price of a long-lived asset, a significant adverse change in the manner in which the asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a change in expected useful life due to changes regarding obsolescence, planned replacement, or disposal. When management becomes aware of a situation that causes the fair value of a long-lived asset to be lower than the book value, management records an impairment and revises the estimated useful life as needed.

#### **(k) Deferred Financing Costs**

The Association defers the costs of obtaining financing and amortizes these costs over the term of the related debt using the effective-interest method. Deferred financing costs are included in long-term debt.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

#### **(l) Net Assets with Donor Restrictions**

Net assets with donor restrictions are those whose use by the Association have been limited by donors to a specific time period or purpose or restricted by donors to be maintained by the Association in perpetuity.

#### **(m) Net Patient Service Revenue**

The Association is paid for services to Medicare inpatients under the Prospective Payment System, which provides for reimbursement based on diagnosis-related groupings (DRGs). Such DRG payments are prospectively established and may be greater or less than the Association's actual charges for its services. The majority of Medicare outpatient services are reimbursed based on ambulatory payment classifications (APCs). APC payments are prospectively established and may be greater or less than the Association's actual charges for its services. Payments for Medicare outpatient laboratory services and certain therapeutic services are based on a fee schedule.

The Association is paid for services provided to Medicaid inpatients under a DRG-based system. Payments for Medicaid outpatient services are reimbursed on a percentage of actual charges or a fee schedule.

The Association has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments, and risk sharing agreements. Net patient service revenue is reported at the estimated transaction price the Association expects to collect as a result of satisfying its performance obligations, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

For services that are paid under cost-reimbursed contractual arrangements with Medicare, the Association is paid at an interim rate during the year. The difference between the interim rate and the actual reimbursement based on defined allowable costs results in a receivable from or a payable to third-party agencies.

The Medicare program's administrative procedures preclude final determination of amounts receivable from or payable to the Medicare program until after the Association's annual cost reports have been audited or otherwise reviewed and settled by Medicare. The estimated settlement receivable/payable for unsettled cost reports is included in the accompanying consolidated financial statements.

Net patient service revenues are recognized at the time the services are provided to patients. Revenue is recorded in the amount which the Association expects to collect. Retroactive adjustments are accrued on an estimated basis in the period the performance obligations are satisfied and adjusted in future periods as final settlements are determined. The Association's net patient service revenue increased by \$463 and \$1,073 as a result of retroactive adjustments under reimbursement agreements with third-party payors during 2020 and 2019, respectively, which are considered variable consideration under Topic 606.

## **OVERLAKE HOSPITAL ASSOCIATION**

### **Notes to Consolidated Financial Statements**

June 30, 2020 and 2019

(Dollars in thousands)

#### **(n) Charity Care**

The Association provides service to eligible patients at reduced or no cost based upon the individual patient's financial resources. The Association's policy provides for 100% charity to patients with income up to 200% of the federal poverty guidelines and from 65% to 98% charity to patients with income from 201% to 400% of the federal poverty guidelines. Records are kept to identify, approve, and monitor those costs that are incurred under the charity care policy. Because the Association does not expect payment, estimated charges for charity care are not included in revenue. In addition to the approved charity care described above, the Association believes that other uncollected accounts would be approved under its charity care policy if information about the patient's financial resources were shared with the Association. Such amounts are not considered charity care.

#### **(o) Private Pay Discounts**

The Association offers patients with no insurance prompt pay discounts for medically necessary services. A 30% prompt pay discount is granted for full payment within 30 days of the first billing statement. Prompt pay discounts are recorded as an adjustment to patient service charges.

#### **(p) Donor-Restricted Gifts**

Gifts received from or pledged by donors are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or contain a time restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or restricted purpose is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions.

#### **(q) Excess of Revenue over Expenses**

The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in net assets that are excluded from excess of revenue over expenses include net assets released for capital acquisitions, certain changes in pension liability, change in net unrealized gains on investments that are other-than-trading in 2019 and prior, contributions to net assets with donor restrictions, and investment income from donor-designated endowments.

#### **(r) Federal Income Taxes**

The Association is an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to federal income taxes. However, the Association is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

#### **(s) Recently Issued Accounting Standards**

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. ASU 2016-18 was effective for the Association on July 1, 2019. The Association adopted ASU 2016-18 in 2020 and the provisions of the standard did not have an impact on the consolidated financial statements.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a lease liability and right-of-use (ROU) asset for all lease obligations longer than 12 months. The lease liability represents the lessee's obligation to make lease payments arising from the lease measured on a discounted basis using the Association's incremental borrowing rate and the ROU asset represents the lessee's right to use or control the use of a specified asset for a lease term. The lease guidance also simplifies accounting for sale-leaseback transactions. Topic 842 was effective for the Association beginning on July 1, 2019. In 2019, the FASB updated its guidance allowing entities to adopt the provisions of the standard prospectively without adjusting comparative periods. The Association elected this option. The Association elected to apply the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs. Additionally, the Association elected to apply the hindsight practical expedient, which allows entities to use hindsight in determining the lease term and in assessing impairment. In 2020, the Association recorded initial ROU assets, offset by existing deferred rent, of \$31,748 and lease liabilities of \$33,736 on its consolidated balance sheets.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU, among other things, requires equity securities classified as other-than-trading to be measured at fair value with changes in fair value recognized in excess of revenues over expenses and updates certain disclosure requirements related to financial instruments. The Association adopted the provisions of this ASU on July 1, 2019 by recording a cumulative-effect adjustment to the consolidated balance sheet of \$21,485. The cumulative-effect adjustment had no impact on amounts reported on the consolidated balance sheet or statement of operations and changes in net assets. The adoption of the ASU also resulted in \$10,218 of net unrealized losses on equity securities being recognized in excess of revenues over expenses in the consolidated statement of operations and changes in net assets for the year ended June 30, 2020.

## (2) Net Patient Service Revenue

### (a) Disaggregation of Revenue

The mix of net patient service revenue by payor for the years ended June 30, 2020 and 2019 is as follows:

	2020	2019
Medicare	\$ 89,257	97,299
Medicaid	2,566	2,401
Kaiser Permanente	127,698	124,827
Premera	97,938	97,009
Regence	66,694	77,309
Other third-party payors and private pay	159,803	160,815
Total	\$ 543,956	559,660

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

#### **(b) Hospital Safety Net Program**

Under the Hospital Safety Net program, Washington State nongovernmental hospitals are assessed a fee on all non-Medicare patient days, up to a maximum of fifty-four thousand days per year. This fee is collected by the state and the state uses these funds to obtain federal Medicaid matching funds. Each state fiscal year, the state uses the assessment and Medicaid matching funds to make supplemental payments to Washington hospitals. The law sunsets on July 1, 2021.

Safety net revenue recognized under the program in the consolidated statements of operations is \$14,672 and \$13,483 for the years ended June 30, 2020 and 2019, respectively and is classified in net patient service revenue. Safety net expenses recognized under the program in the consolidated statements of operations are \$12,969 and \$12,381 for the years ended June 30, 2020 and 2019, respectively and is classified in hospital taxes and assessments.

Safety net revenue recognized and not yet received as of June 30, 2020 and 2019 totaled \$3,208 and \$3,558, respectively. Safety net expenses recognized and not yet paid as of June 30, 2020 and 2019 totaled \$3,095 and \$3,095, respectively.

#### **(c) Charity Care and Community Benefit**

The Association provides care without charge or at reduced rates to patients who qualify for charity care according to the Association's policy. The Association determines the cost of charity care using a cost to charge ratio following the regulatory guidelines. Total expenses are reduced by bad debt, other operating revenue, the hospital safety net assessment, and community benefit expense and patient charges are reduced by community benefit revenue in determining the cost to charge ratio. The ratio is then applied to the charges that were written off for charity to determine the cost of charity. For the years ended June 30, 2020 and 2019, the cost of providing charity was estimated at approximately \$6,314 and \$5,687, respectively.

The Association provides care to Medicaid patients at rates below the cost of providing services. For the years ended June 30, 2020 and 2019, payments were less than estimated cost by approximately \$20,608 and \$17,816, respectively.

The Association is also involved in an array of activities that benefit the broader community. Community education classes are offered in a wide range of health-related topics including preparing for childbirth, positive parenting, infant and child safety, adult first aid, CPR, women's health, smoking cessation, weight loss, diabetes, balance, dementia, living wills, long-term care insurance, cholesterol, caregiver support, dealing with cancer, and depression. In addition to classes, the Association has a cancer resource center that coordinates support groups, counseling, and provides access to the latest information on cancer at no cost. The Association assists patients that need help enrolling in Medicaid. Education is part of the Association's mission and is evidenced by the Association's participation in several residency programs or by providing a clinical setting for college-based programs including nursing, pharmacy technicians, medical imaging technicians, respiratory therapists, lab assistants, and cancer counselors. The Association operates a senior care clinic at a loss for the benefit of the community. The Association participates in clinical research projects. As a community member, the Association participates and helps sponsor many community events in the area it serves. The

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

estimated net unreimbursed expenditures on community benefit programs were \$5,942 and \$5,620 in 2020 and 2019, respectively.

The Association works in partnership with a number of community agencies and provides volunteer support for programs and events that benefit the community. It is the Association's belief that giving back to the community is an integral part of its mission.

**(d) Concentrations of Credit Risk**

The Association grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30 is as follows:

	<u>2020</u>	<u>2019</u>
Medicare	22 %	21 %
Medicaid	2	2
Kaiser Permanente	16	14
Premera	11	13
Regence	7	8
Other third-party payors	35	34
Private pay	7	8
Total	<u>100 %</u>	<u>100 %</u>

**(e) Allowance for Uncollectible Accounts**

The Association records a provision for uncollectible accounts in the period of services on the basis of past experience, which has historically indicated that many patients are unresponsive or are otherwise unwilling to pay the portion of their bill for which they are financially responsible. As a result of adopting ASU 2014-09, the Hospital and the Clinics continue to maintain an allowance for uncollectible accounts related to performance obligations satisfied prior to July 1, 2018. Any provision for uncollectible accounts in 2020 and 2019 were considered to be implicit price concessions and are recorded directly to net patient service revenue. The estimates made and changes affecting those estimates for the years ended June 30, 2020 and 2019 are summarized below and relate solely to revenues recorded prior to July 1, 2018:

	<u>2020</u>	<u>2019</u>
Changes in allowance for uncollectible accounts:		
Allowance for uncollectible accounts at beginning of year	\$ 1,625	9,465
Write-off of uncollectible accounts, net of recoveries	(1,625)	(7,840)
Provision for uncollectible accounts	—	—
Allowance for uncollectible accounts at end of year	<u>\$ —</u>	<u>1,625</u>

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

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(Dollars in thousands)

### (3) Assets Whose Use is Limited and Investments

Assets whose use is limited and investments, which are stated at fair value based primarily on quoted market prices, consisting of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Assets whose use is limited:		
Cash and accrued interest receivable	\$ 6,382	6,152
Money market funds	2,459	76,651
Bond mutual funds	5,724	5,582
Equity mutual funds	<u>7,797</u>	<u>8,210</u>
Assets whose use is limited	<u>\$ 22,362</u>	<u>96,595</u>
Investments:		
Cash and accrued interest receivable	\$ 2,683	2,382
Money market funds	21	28
Bond mutual funds	264,523	247,473
Equity mutual funds	<u>235,080</u>	<u>248,608</u>
Total investments	<u>\$ 502,307</u>	<u>498,491</u>

Components of unrestricted investment income (which is included in other nonoperating revenue (expense), net) for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 15,672	32,242
Net realized gains (losses) on investments	6,634	(21,384)
Net unrealized losses on investments	<u>(10,218)</u>	<u>—</u>
Total investment income	<u>\$ 12,088</u>	<u>10,858</u>

Temporarily restricted investment income consisted of \$431 in interest and dividends for both the years ended June 30, 2020 and 2019.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

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(Dollars in thousands)

The following table summarizes the composition of the Association's assets whose use is limited and investments with unrealized losses as of June 30, 2019 (due to the adoption of ASU 2016-01, this table is not presented for 2020 and future periods):

Description of securities	2019					
	Unrealized losses existing				Total	
	Less than 12 months		12 Months or longer			
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Bond mutual funds	\$ —	—	53,309	(351)	53,309	(351)
Equity mutual funds	7,833	(493)	36	(5)	7,869	(498)
	\$ 7,833	(493)	53,345	(356)	61,178	(849)

The Association recognized \$21,389 of other-than-temporary impairment on assets whose use is limited and investments during the year ended June 30, 2019.

The majority of the Association's investments and assets whose use is limited are in bond and equity mutual funds. Unrealized losses on these investments and assets whose use is limited are due to the economic environment.

#### (4) Disclosure about Fair Value of Financial Instruments

Generally Accepted Accounting Principles established a framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Accounting Standards Codification (ASC) 820-10-50, *Fair Value Measurement – Overall*, are described below:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets. At June 30, 2020 and 2019, Level 1 securities include primarily money market funds and mutual funds.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market. At June 30, 2020 and 2019, Level 2 securities include an unregistered mutual fund.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect the Association's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of discounted cash flow models and similar techniques. At June 30, 2020 and 2019, there were no Level 3 securities.



## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

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(Dollars in thousands)

Fair value is based on 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. The Association maximizes the use of observable inputs and minimizes the use of unobservable inputs when developing fair value measurements. Fair value measurements for assets and liabilities where there is limited or no observable market data and, therefore, are based primarily upon estimates calculated by the Association, are based on the economic and competitive environment, the characteristics of the asset or liability, and other factors. Therefore, the results cannot be determined with precision and may not be realized upon an actual settlement of the asset or liability. There may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of the current or future values.

Following is a description of valuation methods and assumptions used for assets recorded at fair value and for estimating fair value for financial instruments not recorded at fair value but required to be disclosed:

**(a) Cash**

The carrying amounts, at cost, equal fair value.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

### (b) Marketable Securities

The tables below present the balances of assets measured at fair value on a recurring basis as of June 30, 2020 and 2019:

2020				
Investments at estimated fair value				
	Quoted prices in active markets for identical assets (Level 1)	Valuation techniques based on observable market data (Level 2)	Valuation techniques incorporating information other than observable market data (Level 3)	Total
Cash and accrued interest	\$ 6,382	—	—	6,382
Money market funds	2,459	—	—	2,459
Bond mutual funds	5,724	—	—	5,724
Equity mutual funds	7,797	—	—	7,797
Total assets whose use is limited	\$ 22,362	—	—	22,362
Cash and accrued interest	\$ 2,683	—	—	2,683
Money market funds	21	—	—	21
Bond mutual funds	264,523	—	—	264,523
Equity mutual funds	209,688	25,392	—	235,080
Total investments	\$ 476,915	25,392	—	502,307

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

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(Dollars in thousands)

2019				
Investments at estimated fair value				
	Quoted prices in active markets for identical assets (Level 1)	Valuation techniques based on observable market data (Level 2)	Valuation techniques incorporating information other than observable market data (Level 3)	Total
Cash and accrued interest	\$ 6,152	—	—	6,152
Money market funds	76,651	—	—	76,651
Bond mutual funds	5,582	—	—	5,582
Equity mutual funds	8,210	—	—	8,210
Total assets whose use is limited	\$ 96,595	—	—	96,595
Cash and accrued interest	\$ 2,382	—	—	2,382
Money market funds	28	—	—	28
Bond mutual funds	247,473	—	—	247,473
Equity mutual funds	224,975	23,633	—	248,608
Total investments	\$ 474,858	23,633	—	498,491

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

### (5) Land, Buildings, and Equipment

The Association's land, buildings, and equipment accounts, and related accumulated depreciation accounts, as of June 30, 2020 and 2019 are set forth below:

	<u>2020</u>	<u>2019</u>
Assets:		
Land	\$ 7,601	7,601
Land improvements	4,808	5,011
Buildings and improvements	308,557	287,187
Equipment:		
Fixed	48,246	46,831
Movable	213,787	232,296
Construction in progress	172,735	84,939
Total land, buildings, and equipment	<u>755,734</u>	<u>663,865</u>
Accumulated depreciation:		
Land improvements	4,261	4,361
Buildings and improvements	164,803	155,116
Equipment:		
Fixed	35,811	34,717
Movable	173,929	178,991
Total accumulated depreciation	<u>378,804</u>	<u>373,185</u>
Total land, buildings, and equipment, net	<u>\$ 376,930</u>	<u>290,680</u>

The Association capitalized interest in connection with its construction projects of \$4,140 and \$1,881 during the years ended June 30, 2020 and 2019, respectively.

The Association recorded \$33,167 and \$33,424 of depreciation expense in 2020 and 2019, respectively. The following is a summary of asset lives used for calculating depreciation:

	<u>Asset lives</u>
Land improvements	5–40 years
Buildings and improvements	2–40 years
Fixed equipment	3–30 years
Movable equipment	2–20 years

The Association has outstanding construction contract commitments of \$43,001 and \$130,642 as of June 30, 2020 and 2019, respectively.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

### (6) Financing

#### (a) Long-Term Debt

Long-term debt, as of June 30, 2020 and 2019, is as follows:

	<u>2020</u>	<u>2019</u>
Revenue bonds, Series 2014, 4.00% to 5.00%, due in annual principal installments ranging from \$1,425 to \$3,370, until 2038, including a premium of \$2,836 and \$3,112, and net of deferred financing cost of \$507 and \$556 as of June 30, 2020 and 2019, respectively, callable on or after July 2024.	\$ 45,689	47,276
Revenue bonds, Series 2017A/B, 4.00% to 5.00%, due in annual principal installments ranging from \$2,625 to \$16,215, from 2023 until 2043, including a premium of \$18,232 and \$19,893, and net of deferred financing cost of \$1,239 and \$1,340 as of June 30, 2020 and 2019, respectively, callable on or after January 2028.	193,779	195,339
Revenue bonds, Series 2017C, variable rate, due in annual principal installments ranging from \$14,180 to \$18,185, from 2043 until 2045, net of deferred financing cost of \$78 and \$110 as of June 30, 2020 and 2019, respectfully. Principal may be prepaid in whole or in part at each Rate Reset Date and is subject to a mandatory tender date of December 21, 2022 unless the Bank (or other owner) elects the right to retain the bonds.	49,922	49,890
Note payable to a financial institution, 3.34%, secured by a deed of trust on land, building, and rental income due in monthly payments including interest of \$373 until August 2022, net of deferred financing cost of \$15 and \$25 as of June 30, 2020 and 2019, respectively.	9,326	13,404
Total long-term debt	298,716	305,909
Less current portion	(5,652)	(5,449)
Long-term debt, net of current portion	\$ <u>293,064</u>	<u>300,460</u>

In fiscal year 2018, the Hospital received proceeds from the Washington Health Care Facilities Financing Authority, Revenue Bonds, Series A, B and C with total proceeds of approximately \$249,215. The 2017 Series C bonds, in the amount of approximately \$49,922 as of June 30, 2020, are variable rate revenue bonds which were all purchased in a private placement by a financial institution. They will be held by that financial institution until December 2022 unless an election is made by the financial

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

institution to retain the 2017 Series C Revenue Bonds for a longer period. If the financial institution does not elect to retain the 2017 Series C bonds, the bonds will be remarketed and it is possible that if the remarketing is not successful they will become due and payable in December 2022. The debt maturity table includes the expected principal payments for the 2017 Series C Revenue Bonds according to the original contractual maturity schedule at the time of issuance.

The principal amounts due by year are as follows:

Fiscal year:	
2021	\$ 5,652
2022	5,866
2023	6,503
2024	6,815
2025	7,170
Thereafter	<u>247,480</u>
	279,486
Add net unamortized bond premiums	21,068
Less unamortized deferred financing costs	<u>(1,838)</u>
	<u>\$ 298,716</u>

The obligated group for the revenue bonds (the bonds) consists of the Hospital and the Association. As security for the payment of the bonds, the Hospital has granted the Trustee a security interest in the Hospital's gross revenue and the moneys in the trust funds as described below. Trust funds have been established for the regular deposit of interest and principal payments of the bonds and is reflected within assets whose use is limited on the accompanying consolidated balance sheet.

Under the terms of the loan agreements, the Hospital has agreed to maintain certain financial ratios and comply with certain other covenants.

#### (7) Retirement Programs

The Hospital's retirement program consists of a Cash Account Plan (the Plan), a Voluntary Employee Tax Deferred Plan 403(b) (the Voluntary Plan), and a Contribution Plan 401(a) (the Contribution Plan).

##### (a) The Plan

The Plan was a defined benefit, noncontributory plan with a defined contribution feature. The Plan covered all qualified employees hired prior to September 1, 2008, including employees of the Hospital's controlled affiliates, complies with the Employee Retirement Income Security Act of 1974 and is accounted for in accordance with ASC 715-20-50, *Compensation – Retirement Benefits – Defined Benefit Plans – General*. The measurement date of the Plan was June 30.

## **OVERLAKE HOSPITAL ASSOCIATION**

### **Notes to Consolidated Financial Statements**

**June 30, 2020 and 2019**

**(Dollars in thousands)**

On April 25, 2018, the Finance Committee of the Board of Trustees of the Hospital approved a plan to terminate the Plan on July 15, 2018 pursuant to the criteria outlined in the plan document. All participant balances that were not fully vested became fully vested as of July 15, 2018 due to the plan termination.

On February 1, 2019, plan participants were given the option to elect from the following methods to receive the value of their benefits: 1) immediate lump sum payment calculated as of May 1, 2019 which may be rolled over to the Overlake Hospital Medical Center 403(b) Retirement Plan (if the participant is an active employee), an Individual Retirement Account (IRA), or another eligible retirement plan; 2) immediate lump sum payment calculated as of May 1, 2019 taken in cash subject to applicable taxes and penalties; 3) immediate monthly annuity payment as of May 1, 2019; 4) as a deferred benefit under the normal terms of the Plan, from an insurance company selected by the Plan. Participants had until March 18, 2019 to make an election. Participants that did not make an election were considered to have elected the deferred benefit.

On April 30, 2019, benefit payments were made to participants that had elected an immediate lump sum. On June 28, 2019, funds were transferred to Principal Life Insurance Company to satisfy the liabilities of the immediate monthly annuity payments and the deferred benefits.

The Plan received approval of the plan termination from the IRS on June 4, 2019. The following disclosures reflect the requirements based on the plan termination during fiscal year 2019. As such these disclosures are not applicable as of and for the year ended June 30, 2020.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

A summary of the change in benefit obligation and change in plan assets for the year ended June 30, 2019 is as follows:

	<b>2019</b>
Benefit obligation at beginning of year	\$ 64,966
Service cost	960
Interest cost	2,000
Benefits paid	(1,028)
Expenses paid	(1,233)
Actuarial (gain) loss	(2,029)
Plan amendments	—
Plan settlements	(63,030)
Benefits and expense payable	(606)
Special termination benefits	—
Benefit obligation at end of year	—
Fair value of plan assets at beginning of year	59,528
Actual return on plan assets	869
Employer contribution	5,500
Benefits paid	(1,028)
Expenses paid	(1,233)
Plan settlements	(63,030)
Benefits and expense payable	(606)
Fair value of plan assets at end of year	—
Funded status	—
Net amount recognized in the consolidated balance sheets	\$ —
	<b>2019</b>
Amounts recognized in unrestricted net assets consist of:	
Accumulated loss	\$ —
Net actuarial loss	\$ —



## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

A summary of the components of net periodic benefit cost for the year ended June 30, 2019 is as follows:

	<u>2019</u>
Service cost	\$ 960
Interest cost	2,000
Expected return on plan assets	(1,317)
Amortization of net loss (gain)	231
Settlement loss recognized	<u>13,090</u>
Net periodic benefit cost	<u>\$ 14,964</u>

Weighted average assumptions used to determine benefit obligations at June 30 2019 were as follows:

	<u>2019</u>
Discount rate	N/A
Rate of compensation increase	N/A
Measurement date	June 30, 2019

Weighted average assumptions used to determine net benefit cost for the year ended June 30, 2019 were as follows:

	<u>2019</u>
Discount rate	4.08%/4.02%
Long-term rate of return on assets	3.02 %
Rate of compensation increase	N/A

The objectives of the Plan's investment policy were to protect the funded status of the Plan by reducing the investment risk to align with the reduced timeline to pay out plan assets, secondarily maximize returns within reasonable and prudent levels of risk, and maintain sufficient liquidity to meet benefit payment obligations on a timely basis. At June 30, 2019 100% of plan assets were in money market funds. There were no assets in the Plan as of June 30, 2020 as described above.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2019:

Investments at estimated fair value				
	Investments at fair as value determined by quoted prices in active markets (Level 1)	Valuation techniques based on observable market data (Level 2)	Valuation techniques incorporating information other than observable market data (Level 3)	Total
Mutual funds:				
Money market funds	\$ 606	—	—	606
Total investments	\$ 606	—	—	606

### (b) The Voluntary Plan

The Voluntary Plan is a 403(b) plan. The Voluntary Plan is entirely employee funded. All employees may participate in the program and have a choice of investments with varying levels of risk and return. New employees are automatically enrolled in the Voluntary Plan.

### (c) The Contribution Plan

Plan eligibility commences on the date of hire. Employees are divided into two groups. Group I employees include those hired prior to September 1, 2008, who had attained at least 41 years of age on December 31, 2008, and elected to continue to accrue benefits under the Overlake Hospital Medical Center Cash Account Plan. Group II employees include those hired after August 31, 2008 and employees hired prior to September 1, 2008 who did not attain at least 41 years of age on December 31, 2008 or otherwise elected to become a Group II employee. Employees who were eligible to elect between coverage as a Group I or a Group II employee but did not make an election were treated as a Group I employee under the Contribution Plan.

As of July 1 2018, all Group I employees become Group II employees due to the Cash Account Plan termination.

Participants must be credited with 1,000 hours of service during the calendar year in order to receive employer contributions. Each year the Hospital makes matching contributions to the Plan based on a percentage of employee contributions to the Voluntary Plan up to a specified maximum percent of the employee's eligible compensation. The Hospital's matching contributions are summarized as follows:

Group I employees receive 50% of employee contributions to the Voluntary Plan up to 3% of eligible compensation.

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

Group II Employees receive 100% of employee contributions to the Voluntary Plan, up to a maximum of 4% of the employee's eligible compensation for participants with less than five years of service or up to a maximum of 6% of the employee's eligible compensation for participants with five or more years of service at the start of the plan year, respectively.

In addition, the Hospital makes a nonelective service contribution equal to 2% of eligible compensation for each Group II employee subject to certain limitations imposed under the IRC. The Hospital contributed approximately \$14,427 and \$12,497 in matching and service contributions for the years ended June 30, 2020 and 2019, respectively, and is reflected in employee benefits in the consolidated statements of operations and changes in net assets.

#### (8) Leases

The Association enters into operating leases primarily for buildings. For leases with terms greater than 12 months, the Association records the related operating lease ROU assets and liabilities at the present value of the lease payments over the contract term using the Association's incremental borrowing rate. Building lease agreements generally require the Association to pay for maintenance and repairs, which are variable based on actual costs incurred during each applicable period. Such costs are not included in the determination of the operating lease ROU asset or lease liability. Variable lease costs also include escalating rent payments that are not fixed at lease commencement but are based on an index that is determined in future periods over the lease term based on changes in the Consumer Price Index or other measure of cost inflation. Most leases include one or more options to renew the lease at the initial term, with renewal terms that generally extend the lease at the then market rate of rental payment. All such options are at the Association's discretion and are evaluated at the lease commencement, with only those that are reasonably certain of exercise included in determining the appropriate lease term. The Association has elected the practical expedient to not separate lease components from non-lease components for its operating leases.

The components of lease cost are as follows for the year ended June 30, 2020:

	<u>2020</u>
Operating lease cost:	
Fixed lease expense	\$ 6,373
Variable lease expense	<u>2,303</u>
Total operating lease cost	<u>\$ 8,676</u>

Other information related to leases as of and for the year ended June 30, 2020 is as follows:

	<u>2020</u>
Weighted average remaining lease term (in years)	7
Weighted average discount rate	2.9 %

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

Commitments related to noncancelable operating leases for each of the next five years and thereafter as of June 30, 2020 are as follows:

Fiscal year:		
2021	\$	6,841
2022		6,085
2023		5,636
2024		5,772
2025		5,951
Thereafter		<u>11,035</u>
		41,320
Less imputed interest		<u>4,034</u>
Total lease liabilities		37,286
Less current portion		<u>5,887</u>
Long term lease obligation	\$	<u><u>31,399</u></u>

Prior to the adoption of ASU 2016-02 as discussed in Note 1(s), the Association and its affiliates leased certain equipment and office space that were accounted for as operating leases. Total rental expense for all operating leases for the year ended June 30, 2019 was approximately \$7,974. The following is a schedule of future non-cancelable operating lease payments as of June 30, 2019:

Fiscal year:		
2021	\$	5,591
2022		4,934
2023		4,721
2024		4,774
Thereafter		<u>12,669</u>
Operating lease obligations	\$	<u><u>32,689</u></u>

#### (9) Professional Liability Insurance, Workers' Compensation, and Health Benefits

The Association maintains claims-made professional liability insurance coverage through a commercial carrier. The policy for the years ended June 30, 2020 and 2019 has a \$500 deductible per occurrence. The Association also carries excess coverage policies for its professional liability program.

Based upon actuarial valuations, the Association has recorded estimated liabilities (undiscounted) for claims incurred but not reported as well as claims reported and not paid of \$14,138 and \$9,714 and reinsurance receivables of \$4,287 and \$1,774 as of June 30, 2020 and 2019, respectively.

## **OVERLAKE HOSPITAL ASSOCIATION**

### **Notes to Consolidated Financial Statements**

June 30, 2020 and 2019

(Dollars in thousands)

The Association is self-insured for workers' compensation. The accrued liabilities for the self-insured components of this plan include the unpaid portion of claims that have been reported and estimates for claims that have been incurred but not reported. The Association also carries an excess coverage policy for its workers' compensation program. The Association has recorded undiscounted liabilities for workers' compensation claims based on actuarial estimates of approximately \$3,544 and \$3,198 and reinsurance receivables of \$287 as of both June 30, 2020 and 2019, respectively.

The Association is self-insured for medical, dental, and prescription drugs. The accrued liabilities for the self-insured components of this plan include the unpaid portion of claims that have been reported and estimates for claims that have been incurred but not reported. The Association also carries an excess coverage policy for its medical, dental, and prescription program. The Association has recorded undiscounted liabilities for medical, dental, and prescription drugs claims based on actuarial estimates of approximately \$2,132 and \$1,276 as of June 30, 2020 and 2019, respectively.

#### **(10) Litigation and Compliance with Laws and Regulations**

The Association is involved in litigation and regulatory investigations arising in its normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Association's future financial position or results from operations.

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Governmental activity includes investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

### (11) Functional Expenses

The Association provides healthcare services to residents within its geographic service area. Expenses related to providing these services for the years ended June 30, 2020 and 2019 are as follows:

		2020			
		Healthcare services	General and administrative	Fundraising	Total
Salaries and benefits	\$	274,838	52,848	792	328,478
Purchases and other		84,410	40,198	316	124,924
Supplies		94,860	7,043	85	101,988
Interest, depreciation and amortization		32,311	8,249	—	40,560
Total operating expenses	\$	486,419	108,338	1,193	595,950

  

		2019			
		Healthcare services	General and administrative	Fundraising	Total
Salaries and benefits	\$	257,297	47,554	778	305,629
Purchases and other		73,928	35,953	387	110,268
Supplies		93,529	5,089	200	98,818
Interest, depreciation and amortization		33,430	8,909	—	42,339
Total operating expenses	\$	458,184	97,505	1,365	557,054

### (12) Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2020 and 2019 are assets whose use has been limited to a specific period, in perpetuity and/or for a designated purpose.

# OVERLAKE HOSPITAL ASSOCIATION

## Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

Net assets with donor restrictions subject to expenditure for specified purposes as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Donor restricted endowments subject to spending policy for specified purposes:		
Endowment purpose:		
Family Resource Coordinator	\$ 442	442
Senior Care Outreach	40	40
Surgical Services	527	527
Oncology Clinical Education	162	162
Nursing Clinical Education	270	260
Intensive Care Unit	2,572	2,572
Charity Care/Uncompensated Care	257	257
General Hospital Support	1,226	1,174
Heart & Vascular	116	116
Reigert Chest Pain Center	114	114
Cardiac Care	145	145
Clinic Oncology Medical Director	96	96
	<u>5,967</u>	<u>5,905</u>
Subject to expenditure for specified purposes:		
Health care services	3,998	4,395
Purchase of building improvements and equipment	10,694	9,374
Health education	263	264
Indigent care	124	131
	<u>15,079</u>	<u>14,164</u>
Total net assets with donor restrictions	<u>\$ 21,046</u>	<u>20,069</u>

The Foundation's endowments consist of 19 individual funds established for a variety of purposes, but primarily supporting various forms of healthcare services, including both donor-restricted endowment funds and funds designated by management to function as endowments. Quasi endowment net assets associated with endowment funds, including funds designated by management, are classified and reported based on the existence or absence of donor-imposed restrictions.

### (13) COVID-19

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted on March 27, 2020, authorizes \$100 billion in funding to hospitals and other healthcare providers to be distributed through the Public Health and Social Services Emergency Fund (PHSSEF). Payments from the PHSSEF are intended to compensate healthcare providers for lost revenues and incremental expenses incurred in response to the COVID-19 pandemic and are not required to be repaid provided the recipients attest to and comply with

## OVERLAKE HOSPITAL ASSOCIATION

### Notes to Consolidated Financial Statements

June 30, 2020 and 2019

(Dollars in thousands)

certain terms and conditions, including limitations on balance billing and not using PHSSEF funds to reimburse expenses or losses that other sources are obligated to reimburse. The U.S. Department of Health and Human Services (HHS) initially distributed \$30 billion of this funding based on each provider's share of total Medicare fee-for-service reimbursement in 2019, but announced that \$50 billion in CARES Act funding (including the \$30 billion already distributed) will be allocated proportional to providers' share of 2018 net patient revenue. HHS indicated that distributions of the remaining \$50 billion were targeted primarily to hospitals in COVID-19 high impact areas, to rural providers, and to reimburse providers for COVID-19-related treatment of uninsured patients. The Association received \$23,936 in payments from the PHSSEF payments all of which was recognized as other operating revenue for the year ended June 30, 2020.

As a way to increase cash flow to Medicare providers impacted by the COVID-19 pandemic, the CARES Act expanded the Medicare Accelerated and Advance Payment Program. Inpatient acute care hospitals may request accelerated payments of up to 100% of the Medicare payment amount for a six-month period (not including Medicare Advantage payments). Centers for Medicare & Medicaid Services (CMS) based payment amounts for inpatient acute care hospitals on the provider's Medicare fee-for-service reimbursements in the last six months of 2019. Such accelerated payments are interest free for inpatient acute care hospitals for 29 months and CMS is required to recoup the payments beginning one year after receipt by the provider, by withholding future Medicare fee-for-service payments for claims until the full accelerated payment has been recouped at a rate of 25% of Medicare payments otherwise due the provider during the first 11 months and at 50% of Medicare payments otherwise due in the succeeding 6 month. Any payments not recouped within 29 months will be subject to interest at four percent. The payments are made for services a healthcare entity has provided or will provide to its Medicare patients who are the healthcare entity's customers. Therefore, they are accounted for under Topic 606. In April 2020, the Association received \$35,000 of accelerated payments, which have been recorded on the consolidated balance sheet as of June 30, 2020 as a contract liability, in accordance with ASC 606. This contract liability will be reduced over time as revenue is recognized for claims submitted for services provided during the repayment period.

Lastly, the CARES Act provides for deferred payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The Association began deferring the employer portion of social security taxes in April 2020. As of June 30, 2020, the Association deferred \$2,654 in social security taxes.

Due to the recent enactment of the CARES Act and the PPPHCE Act, there is still a high degree of uncertainty surrounding their implementation, and the public health emergency continues to evolve. We continue to assess the potential impact of the CARES Act, the PPPHCE Act, the potential impact of future stimulus measures, if any, and the impact of other laws, regulations, and guidance related to COVID-19 on our business, results of operations, financial condition and cash flows.



**OVERLAKE HOSPITAL ASSOCIATION**  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019  
(Dollars in thousands)

**(14) Subsequent Events**

The Association has performed an evaluation of subsequent events through November 12, 2020, which is the date these consolidated financial statements were issued.

## OVERLAKE HOSPITAL ASSOCIATION

## Consolidating Information – Balance Sheets

June 30, 2020 and 2019

(In thousands)

	Association	Hospital	Medical Tower	Eliminating entries	Total 2020	Total 2019
Current assets:						
Cash and cash equivalents	\$ 364	36,635	1,111	—	38,110	20,770
Receivables, net	—	76,015	—	—	76,015	68,667
Current portion of pledges receivable	—	4,357	—	—	4,357	2,691
Current portion of assets whose use is limited	—	6,677	—	—	6,677	6,654
Supplies inventory	—	9,196	—	—	9,196	9,968
Prepaid expenses	56	10,527	156	—	10,739	11,218
Other current assets	60	6,520	613	(947)	6,246	5,043
Total current assets	480	149,927	1,880	(947)	151,340	125,011
Assets whose use is limited, net of current portion	—	15,685	—	—	15,685	89,941
Investments	—	499,624	2,683	—	502,307	498,491
Long-term portion of pledges receivables, net	—	4,919	—	—	4,919	6,142
Other long-term receivables, net	—	3,078	—	—	3,078	1,566
Land, buildings, and equipment, net	5,397	349,981	21,552	—	376,930	290,680
Right of use assets, net	—	33,862	—	—	33,862	—
Other assets:						
Investments in joint ventures	—	2,755	—	—	2,755	2,901
Other assets	—	3,834	—	—	3,834	1,786
Interest in net assets of consolidated affiliates	606,778	—	—	(606,778)	—	—
Total other assets	606,778	6,589	—	(606,778)	6,589	4,687
Total assets	\$ 612,655	1,063,665	26,115	(607,725)	1,094,710	1,016,518
Current liabilities:						
Accounts payable	\$ 2	25,302	199	—	25,503	23,694
Accrued liabilities	947	58,214	6	(947)	58,220	50,606
Accrued interest payable	—	5,155	26	—	5,181	5,427
Payable to third-party agencies	—	9,435	—	—	9,435	7,862
Medicare advanced funding	—	35,000	—	—	35,000	—
Current portion of long-term debt	—	1,425	4,227	—	5,652	5,449
Current portion of operating lease right-of-use liabilities	—	5,887	—	—	5,887	—
Total current liabilities	949	140,418	4,458	(947)	144,878	93,038
Long-term debt, net of current portion	—	287,965	5,099	—	293,064	300,460
Long-term operating lease right-of-use liabilities, net of current portion	—	31,399	—	—	31,399	—
Other long-term liabilities	34	13,663	—	—	13,697	10,890
Total liabilities	983	473,445	9,557	(947)	483,038	404,388
Net assets:						
Without donor restrictions	611,672	569,174	16,558	(606,778)	590,626	592,061
With donor restrictions	—	21,046	—	—	21,046	20,069
Total net assets	611,672	590,220	16,558	(606,778)	611,672	612,130
Total liabilities and net assets	\$ 612,655	1,063,665	26,115	(607,725)	1,094,710	1,016,518

See accompanying independent auditors' report.

## OVERLAKE HOSPITAL ASSOCIATION

## Consolidating Information – Operations and Changes in Net Assets

Years ended June 30, 2020 and 2019

(In thousands)

	Association	Hospital	Medical Tower	Eliminating entries	Total 2020	Total 2019
Operating revenue:						
Patient service revenue	\$ —	543,956	—	—	543,956	561,285
Provision for uncollectible accounts	—	—	—	—	—	(1,625)
Net patient service revenue	—	543,956	—	—	543,956	559,660
Other operating revenue	1,028	27,274	10,190	(6,831)	31,661	11,317
Contribution revenue	—	3,464	—	—	3,464	3,167
Net operating revenue	1,028	574,694	10,190	(6,831)	579,081	574,144
Operating expenses:						
Salaries	—	264,286	—	—	264,286	247,016
Registry	—	14,049	—	—	14,049	8,799
Employee benefits	—	64,192	—	—	64,192	58,613
Supplies	—	101,922	66	—	101,988	98,818
Purchased services	144	59,222	1,510	—	60,876	54,869
Interest	—	6,992	385	—	7,377	8,784
Depreciation and amortization	127	31,597	1,461	—	33,185	33,555
Rent, leases, and utilities	170	19,056	523	(6,831)	12,918	12,783
Hospital taxes and assessments	—	17,753	—	—	17,753	17,359
Marketing, insurance, taxes, and other	71	18,519	736	—	19,326	16,458
Total operating expenses	512	597,588	4,681	(6,831)	595,950	557,054
Excess (deficit) of revenue over expenses from operations	516	(22,894)	5,509	—	(16,869)	17,090
Nonoperation revenue, net:						
Investment income	—	12,088	—	—	12,088	10,858
Pension plan settlement expense	—	—	—	—	—	(13,090)
Total nonoperating revenue, net	—	12,088	—	—	12,088	(2,232)
Interest in net assets of consolidated affiliates	325	—	—	(325)	—	—
Excess (deficit) of revenue over expenses	841	(10,806)	5,509	(325)	(4,781)	14,858
Other changes in net assets without donor restrictions:						
Net assets released for capital acquisitions	—	3,176	—	—	3,176	4,876
Change in pension liability	—	—	—	—	—	14,902
Change in net unrealized gains on investments	—	—	—	—	—	10,389
Appropriation of endowment assets for expenditure	—	170	—	—	170	244
Intercompany transfers	(1,300)	2,800	(1,500)	—	—	—
(Decrease) increase in unrestricted net assets	(459)	(4,660)	4,009	(325)	(1,435)	45,269
Other changes in net assets with donor restrictions:						
Contributions	—	7,106	—	—	7,106	10,114
Investment income	—	431	—	—	431	431
Change in net unrealized (losses) gains on investments	—	(214)	—	—	(214)	83
Net assets released from restrictions	—	(6,346)	—	—	(6,346)	(7,738)
Increase in restricted net assets	—	977	—	—	977	2,890
(Decrease) increase in net assets	(459)	(3,683)	4,009	(325)	(458)	48,159
Net assets, beginning of year	612,131	593,903	12,549	(606,453)	612,130	563,971
Net assets, end of year	\$ 611,672	590,220	16,558	(606,778)	611,672	612,130

See accompanying independent auditors' report.