

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2020

Open to Public
Inspection

A For the 2020 calendar year, or tax year beginning

and ending

B Check if applicable:

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

C Name of organization

CLEVELAND CLINIC MERCY HOSPITAL

Doing business as

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

C/O 6801 BRECKSVILLE ROAD, RK1-85

Room/suite

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

INDEPENDENCE, OH 44131

F Name and address of principal officer: **THOMAS J. STRAUSS**
SAME AS C ABOVE

D Employer identification number

34-1893439

E Telephone number

330-489-1000

G Gross receipts \$

331,209,091.

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 **▶ 0928**

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

J Website: **WWW.CANTONMERCY.COM**

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

L Year of formation: **1999**

M State of legal domicile: **OH**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO PROVIDE QUALITY, COMPASSIONATE AND AFFORDABLE HEALTHCARE SERVICES.		
	2	Check this box <input type="checkbox"/> If the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	3044
	6	Total number of volunteers (estimate if necessary)	6	18
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,048,583.
	7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 705,678.	Current Year 19,640,396.
	9	Program service revenue (Part VIII, line 2g)	336,355,202.	303,028,443.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	843,577.	-38,892.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,850,568.	8,493,980.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	346,755,025.	331,123,927.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	199,725.	109,500.
	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)	150,881,902.	146,458,619.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25)	0.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	188,926,542.	183,323,286.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	340,008,169.	329,891,405.
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	6,746,856.	1,232,522.
	20	Total assets (Part X, line 16)	Beginning of Current Year 170,595,707.	End of Year 189,855,989.
	21	Total liabilities (Part X, line 26)	120,973,548.	137,618,352.
	22	Net assets or fund balances. Subtract line 21 from line 20	49,622,159.	52,237,637.

Part II Signature Block

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

Sign Here	Signature of officer	Date	
	DAVID STEWART, SR VP/COO/CFO	11/12/21	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	AMY CIMINELLO	<i>[Signature]</i>	11-12-21
	Firm's name	Firm's EIN	PTIN
	PLANTE & MORAN, PLLC	38-1357951	P00796388
	Firm's address	Phone no. (614) 849-3000	
	250 SOUTH HIGH STREET, SUITE 100 COLUMBUS, OH 43215		

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

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **2****Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒ **X****1** Briefly describe the organization's mission:

AS A CATHOLIC HEALTH CARE ORGANIZATION, OUR MISSION AT MERCY MEDICAL CENTER IS TO CONTINUE CHRIST'S HEALING MINISTRY BY PROVIDING QUALITY, COMPASSIONATE, ACCESSIBLE AND AFFORDABLE CARE FOR THE WHOLE PERSON.

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 \$ 303,897,954. including grants of \$ 109,500.) (Revenue \$ 304,863,993.)

CLEVELAND CLINIC MERCY HOSPITAL OPERATES A 476-BED HOSPITAL SERVICING STARK, CARROLL, WAYNE, HOLMES AND TUSCARAWAS COUNTIES AND PARTS OF SOUTHEASTERN OHIO. IT HAS OVER 600 MEMBERS ON ITS MEDICAL STAFF AND EMPLOYS OVER 2,500 PEOPLE. MERCY OPERATES OUTPATIENT HEALTH CENTERS IN ALLIANCE, CARROLL COUNTY, JACKSON TOWNSHIP, LAKE TOWNSHIP, LOUISVILLE, MASSILLON, NORTH CANTON, PLAIN TOWNSHIP AND TUSCARAWAS COUNTY. A CATHOLIC HOSPITAL, MERCY MEDICAL CENTER UPHOLDS THE MISSION AND PHILOSOPHY OF THE SISTERS OF ST. AUGUSTINE AND CONTINUES TO BE RESPONSIVE TO THE NEEDS OF THE COMMUNITY.

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

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

4e Total program service expenses **303,897,954.**Form **990** (2020)

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **3**

Part IV Checklist of Required Schedules

		Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2	X	
3 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>	3		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9		X
10 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>	10	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a		X
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>	12b	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13		X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18		X
19 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>	19		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X	

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **4**

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		X
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>	25b		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):			
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b		X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38	X	

Note: All Form 990 filers are required to complete Schedule O

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
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 258		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **5**

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

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3044	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X	
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b	X	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country			
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state?	13a		
Note: See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16		X
If "Yes," complete Form 4720, Schedule O.			

Form **990** (2020)

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **6**

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

☒ **X**

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year 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.	1a	15	
b Enter the number of voting members included on line 1a, above, who are independent	1b	12	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6	X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

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 ▶

DAVID STEWART - 330-489-1007
1320 MERCY DRIVE, NW, CANTON, OH 44708

PUBLIC INSPECTION COPY

Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page 7

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) THOMAS J. STRAUSS PRESIDENT & CEO	29.00 11.00	X		X				0.	1,032,155.	67,942.
(2) AHMED EL GHAMRY SABE EXEC DIR CARDIOLOGY	40.00 0.00				X			839,895.	0.	68,794.
(3) MELISSA ROGERS TRUSTEE	2.00 38.00	X						0.	458,924.	74,092.
(4) DAVID STEWART SENIOR VP & CFO	40.00 0.00			X				0.	359,859.	44,292.
(5) JEFFREY MAENDEL PHYSICIAN	40.00 0.00					X		357,256.	0.	29,029.
(6) DAVID GORMSEN CHEIF MEDICAL OFFICER	40.00 0.00			X				307,183.	0.	53,242.
(7) HEE YOON PHYSICIAN	40.00 0.00					X		291,426.	0.	39,213.
(8) BARBARA YINGLING VP & CNO	40.00 0.00			X				269,477.	0.	44,170.
(9) ANDREW WOJTKOWSKI DIRECTOR DENTAL SERVICES	40.00 0.00					X		267,997.	0.	39,800.
(10) THOMAS TURNER VP FUND DEV & GOVT RELATIONS	40.00 0.00			X				229,712.	0.	45,057.
(11) JEFFREY PIKE VP PHYSICIAN REL & BUS DEV	40.00 0.00			X				218,449.	0.	46,211.
(12) JUSTIN MODUGNO DENTIST	40.00 0.00					X		196,595.	0.	37,128.
(13) SHARON STERN PHYSICIAN	32.00 0.00					X		206,604.	0.	22,011.
(14) CINDY HICKEY VP PUBLIC RELATIONS & MKTG	40.00 0.00			X				143,623.	0.	33,428.
(15) MATHEW HEINLE SR VP & GNERAL COUNSEL	32.00 0.00			X				130,500.	0.	0.
(16) SISTER CAROLYN CAPUANO HM VP MISSION & MINISTRY	40.00 0.00			X				0.	0.	0.
(17) JACK R. GRAVO CHAIRMAN	2.00 0.00	X		X				0.	0.	0.

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Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **8**

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			
(18) JOE L. CARPENTER, DMD VICE CHAIRMAN	2.00 0.00	X		X				0.	0.	0.
(19) JEFFREY HEROLD SECRETARY	2.00 0.00	X		X				0.	0.	0.
(20) CHARLES G. DELACEY TRUSTEE	2.00 0.00	X						0.	0.	0.
(21) SISTER MARIAN DURKIN CSA TRUSTEE	2.00 0.00	X						0.	0.	0.
(22) BRIAN MERTES, ESQ. TRUSTEE	2.00 0.00	X						0.	0.	0.
(23) TERRY A MOORE, ESQ. TRUSTEE	2.00 0.00	X						0.	0.	0.
(24) DEAN OLIVIERI TRUSTEE	2.00 0.00	X						0.	0.	0.
(25) DONALD PETERSON III TRUSTEE	2.00 0.00	X						0.	0.	0.
(26) RENEE M. POWELL TRUSTEE	2.00 0.00	X						0.	0.	0.
1b Subtotal								3,458,717.	1,850,938.	644,409.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								3,458,717.	1,850,938.	644,409.

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 100

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SOUND PHYSICIANS OF OHIO III PO BOX 742936, LOS ANGELES, CA 90074	PHYSICIAN SERVICES	4,149,631.
OHIO ANESTHESIA GROUP, INC. 4665 DOUGLAS CIRCLE #100, CANTON, OH 44718	PHYSICIAN SERVICES	3,977,555.
CANTON MED EDUC FOUNDATION 2600 SIXTH STREET NW, CANTON, OH 44710	RESIDENCY PROGRAM	1,877,144.
OBHG OHIO CORP, 777 LOWNDES HILL ROAD, BLDG 1, GREENVILLE, SC 29607	PHYSICIAN SERVICES	1,694,966.
UNITY HEALTH NETWORK LLC 270 FRONT STREET, CUYAHOGA FALLS, OH 44221	PHYSICIAN SERVICES	1,495,076.

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 55

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2020)

Part VII

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

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Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **9**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

☒ X

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	19,622,396.				
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	18,000.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f						
Program Service Revenue			Business Code				
	2 a PATIENT CARE		621110	301,779,906.	301,779,906.		
	b PROGRAM RENTAL INCOME		532000	1,248,537.	1,248,537.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f				303,028,443.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			-95,993.			-95,993.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6 a Gross rents	6a					
	b Less: rental expenses ...	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
		(i) Securities	(ii) Other				
	7 a Gross amount from sales of assets other than inventory	7a	142,265.				
	b Less: cost or other basis and sales expenses	7b	85,164.				
	c Gain or (loss)	7c	57,101.				
	d Net gain or (loss)				57,101.		57,101.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18			8a			
	b Less: direct expenses			8b			
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19			9a				
b Less: direct expenses			9b				
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances			10a				
b Less: cost of goods sold			10b				
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code				
	11 a PHARMACY		446110	3,441,101.			3,441,101.
	b OTHER REVENUE		900099	2,919,619.	1,835,550.	74,066.	1,010,003.
	c CAFETERIA		722514	1,158,743.			1,158,743.
	d All other revenue		621500	974,517.		974,517.	
	e Total. Add lines 11a-11d				8,493,980.		
12 Total revenue. See instructions				331,123,927.	304,863,993.	1,048,583.	5,570,955.

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Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page **10**

Part IX Statement of Functional Expenses

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

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	109,500.	109,500.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,562,635.		2,562,635.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	113,600,674.	102,477,741.	11,122,933.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	6,150,987.	5,548,728.	602,259.	
9 Other employee benefits	14,590,627.	13,162,021.	1,428,606.	
10 Payroll taxes	9,553,696.	8,618,269.	935,427.	
11 Fees for services (nonemployees):				
a Management	1,506,935.	1,506,935.		
b Legal	536,968.	19,813.	517,155.	
c Accounting	105,000.		105,000.	
d Lobbying	41,012.	41,012.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	32,809,087.	29,097,425.	3,711,662.	
12 Advertising and promotion	1,047,481.	1,047,481.		
13 Office expenses	4,058,543.	2,840,794.	1,217,749.	
14 Information technology	9,961,126.	8,985,807.	975,319.	
15 Royalties				
16 Occupancy	11,726,495.	11,227,660.	498,835.	
17 Travel	90,683.	75,463.	15,220.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	116,001.	43,509.	72,492.	
20 Interest	2,716,580.	2,685,548.	31,032.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,830,158.	10,706,747.	123,411.	
23 Insurance	5,065,183.	4,569,238.	495,945.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	68,938,756.	68,938,756.		
b PATIENT BAD DEBT	17,426,752.	17,426,752.		
c STATE FRANCHISE TAX	6,135,909.	6,135,909.		
d MEMBER ASSESSMENT	3,876,400.	2,907,300.	969,100.	
e All other expenses	6,334,217.	5,725,546.	608,671.	
25 Total functional expenses. Add lines 1 through 24e	329,891,405.	303,897,954.	25,993,451.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

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Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page **11**

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
Assets	1 Cash - non-interest-bearing	8,395.	1	8,394.
	2 Savings and temporary cash investments	12,015,631.	2	23,365,994.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	40,278,808.	4	32,193,135.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	4,445,083.	8	4,734,087.
	9 Prepaid expenses and deferred charges	5,716,093.	9	5,939,076.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	336,624,906.		
	b Less: accumulated depreciation	258,519,488.		
		82,919,307.	10c	78,105,418.
	11 Investments - publicly traded securities	22,954,219.	11	43,960,560.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	2,258,171.	15	1,549,325.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	170,595,707.	16	189,855,989.	
Liabilities	17 Accounts payable and accrued expenses	56,789,460.	17	71,995,182.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	30,161,131.	20	28,299,004.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	12,479,292.	23	17,110,591.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	21,543,665.	25	20,213,575.
	26 Total liabilities. Add lines 17 through 25	120,973,548.	26	137,618,352.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	49,466,695.	27	52,069,000.
	28 Net assets with donor restrictions	155,464.	28	168,637.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	49,622,159.	32	52,237,637.
	33 Total liabilities and net assets/fund balances	170,595,707.	33	189,855,989.

Form **990** (2020)

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Form 990 (2020)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page **12**

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	331,123,927.
2	Total expenses (must equal Part IX, column (A), line 25)	2	329,891,405.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,232,522.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	49,622,159.
5	Net unrealized gains (losses) on investments	5	123,105.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	1,259,851.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	52,237,637.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	<input checked="" type="checkbox"/>
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	2b	<input checked="" type="checkbox"/>
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	2c	<input checked="" type="checkbox"/>
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	3a	<input checked="" type="checkbox"/>
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 _____	3b	<input checked="" type="checkbox"/>

Form **990** (2020)

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Schedule A (Form 990 or 990-EZ) 2020 CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 2

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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► <input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2020. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
b 33 1/3% support test - 2019. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
b 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► <input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2020

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Schedule A (Form 990 or 990-EZ) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 3

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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐ ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2020. 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 - 2019. 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 ☐ ►

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Schedule A (Form 990 or 990-EZ) 2020 CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 4

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

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Schedule A (Form 990 or 990-EZ) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 5

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, 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 officers, 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>		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <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>		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <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>		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
2		
3 By reason of the relationship described in line 2, above, 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>		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <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>	Yes	No
2a		
b Did the activities described in line 2a, above, 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>		
2b		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>		
3a		
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>		
3b		

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Schedule A (Form 990 or 990-EZ) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 6

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

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

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
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 0.015 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 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	(B) Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)		Current Year
2	Enter 0.85 of line 1.		
3	Minimum asset amount for prior year (from Section B, line 8, column A)		
4	Enter greater of line 2 or line 3.		
5	Income tax imposed in prior year		
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).		
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) 2020

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Schedule A (Form 990 or 990-EZ) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 7

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2020 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2020	(iii) Distributable Amount for 2020
1	Distributable amount for 2020 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i>). See instructions.		
3	Excess distributions carryover, if any, to 2020		
a	From 2015		
b	From 2016		
c	From 2017		
d	From 2018		
e	From 2019		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2020 distributable amount		
i	Carryover from 2015 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2020 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2020 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
6	Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.		
7	Excess distributions carryover to 2021. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2016		
b	Excess from 2017		
c	Excess from 2018		
d	Excess from 2019		
e	Excess from 2020		

Schedule A (Form 990 or 990-EZ) 2020

34-1893439 Page 8

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.)

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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 for the latest information.

OMB No. 1545-0047

2020

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), 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).

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Schedule B (Form 990, 990-EZ, or 990-PF) (2020)

Page **2**

Name of organization	Employer identification number
CLEVELAND CLINIC MERCY HOSPITAL	34-1893439

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		\$ 28,928.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
2		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
3		\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
		\$	Person Payroll Noncash (Complete Part II for noncash contributions.)

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Schedule B (Form 990, 990-EZ, or 990-PF) (2020)

Page **3**

Name of organization	Employer identification number
CLEVELAND CLINIC MERCY HOSPITAL	34-1893439

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____
_____	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 2px;"></div> <div style="border-bottom: 1px solid black; height: 15px;"></div>	\$ _____	_____

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Schedule B (Form 990, 990-EZ, or 990-PF) (2020)

Page **4**

Name of organization	Employer identification number
CLEVELAND CLINIC MERCY HOSPITAL	34-1893439

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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2020

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

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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) 2020

LHA

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Schedule C (Form 990 or 990-EZ) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 2

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 70%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	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) 2017	(b) 2018	(c) 2019	(d) 2020	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2020

PUBLIC INSPECTION COPY

Schedule C (Form 990 or 990-EZ) 2020 CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 3

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

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		41,012.
j Total. Add lines 1c through 1i			41,012.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

REPRESENTS PAYMENT OF DUES TO CERTAIN TRADE ORGANIZATIONS WHERE A
PORTION OF THE DUES ARE USED TO CONDUCT LOBBYING ACTIVITIES.

BRENNAN, MANNA & DIAMOND LLC WAS HIRED TO ADVOCATE BEFORE THE
GOVERNOR'S OFFICE AND LEGISLATURE CONCERNING HB166, THE BUDGET BILL.

Schedule C (Form 990 or 990-EZ) 2020

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Schedule C (Form 990 or 990-EZ) 2020 CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 4

Part IV Supplemental Information (continued)

SPECIFICALLY, ADVOCACY AND STRATEGIC CONSULTING CONCERNING MEDICAID
ITEM MDCD75 REGARDING CERTAIN ADJUSTMENTS TO THE MEDICAID BASE RATE
FOR INPATIENT SERVICES FOR URBAN HOSPITALS AS DEFINED BY PROPOSED
STATUTORY CHANGES AS WELL AS ONGOING MONITORING FOR GOVERNMENTAL
ACTIONS THAT MAY IMPACT OUR MEDICAL CENTER. THE AMOUNT SPENT FOR THESE
SERVICES IN 2020 WAS \$22,000.

Schedule C (Form 990 or 990-EZ) 2020

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2020.05000 CLEVELAND CLINIC MERCY HO 34-18931

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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?	Yes	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?	Yes	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 ▶ \$

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

Schedule D (Form 990) 2020

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Schedule D (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 2

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	736,296.	632,421.	671,449.	568,067.	537,116.
b Contributions	2,000.	450.	2,000.	6,000.	10,967.
c Net investment earnings, gains, and losses	62,050.	110,028.	-35,365.	100,197.	28,116.
d Grants or scholarships					
e Other expenditures for facilities and programs		3,000.	2,500.		6,696.
f Administrative expenses	2,479.	3,603.	3,163.	2,815.	1,436.
g End of year balance	797,867.	736,296.	632,421.	671,449.	568,067.

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 ☒ 100 %

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
3a(i)		X
3a(ii)	X	
3b	X	

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,375,143.		4,375,143.
b Buildings		147,899,728.	93,409,664.	54,490,064.
c Leasehold improvements				
d Equipment		181,003,907.	165,109,824.	15,894,083.
e Other		3,346,128.		3,346,128.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				78,105,418.

Schedule D (Form 990) 2020

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Schedule D (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page **3**

Part VII Investments - Other Securities.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (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)		
Total. (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)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEBT - SCHS	20,213,575.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	20,213,575.

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 D (Form 990) 2020

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Schedule D (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 4

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

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

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

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

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

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

Part XIII Supplemental Information.

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

PART V, LINE 4:

THE ENDOWMENT FUND IS FOR THE SUPPORT OF THE HOSPITAL'S DENTAL RESIDENCY PROGRAM AND CLINIC. IN 2013 THE FUNDS WERE TRANSFERRED TO THE MERCY DEVELOPMENT FOUNDATION FOR GROWTH OPPORTUNITIES AND MANAGEMENT OF THESE FUNDS.

PART X, LINE 2:

ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE SYSTEM AND RECOGNIZE A TAX LIABILITY IF THE SYSTEM HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY THE IRS OR OTHER APPLICABLE TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE

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Schedule D (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 5

Part XIII Supplemental Information (continued)

TAX POSITIONS TAKEN BY THE SYSTEM AND HAS CONCLUDED THAT AS OF DECEMBER
31, 2020 THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN
THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE
CONSOLIDATED FINANCIAL STATEMENTS.

PART VI, LINE 1 (E)

OTHER = CONSTRUCTION IN PROGRESS

Schedule D (Form 990) 2020

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2020.05000 CLEVELAND CLINIC MERCY HO 34-18931

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			1379785.	68,991.	1310794.	.42%
b Medicaid (from Worksheet 3, column a)			51368289.	42064974.	9303315.	2.98%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			52748074.	42133965.	10614109.	3.40%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			839,363.	50,323.	789,040.	.25%
f Health professions education (from Worksheet 5)			6675107.	4030457.	2644650.	.85%
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			134,899.		134,899.	.04%
j Total. Other Benefits			7649369.	4080780.	3568589.	1.14%
k Total. Add lines 7d and 7j			60397443.	46214745.	14182698.	4.54%

34-1893439 Page 2

2020.05000 CLEVELAND CLINIC MERCY HO 34-18931

34-1893439 Page 3

2020.05000 CLEVELAND CLINIC MERCY HO 34-18931

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 4

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 CLEVELAND CLINIC MERCY HOSPITAL

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

		Yes	No
Community Health Needs Assessment			
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility			
b <input checked="" type="checkbox"/> Demographics of the community			
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d <input checked="" type="checkbox"/> How data was obtained			
e <input checked="" type="checkbox"/> The significant health needs of the community			
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs			
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests			
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)			
j <input type="checkbox"/> Other (describe in Section C)			
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u>			
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X	
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	6b	X	
7 Did the hospital facility make its CHNA report widely available to the public?	7	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>CANTONMERCY.ORG/CHNA</u>			
b <input type="checkbox"/> Other website (list url):			
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility			
d <input type="checkbox"/> Other (describe in Section C)			
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>20</u>			
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X	
a If "Yes," (list url): <u>HTTPS://WWW.CANTONMERCY.ORG/CHNA</u>			
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.			
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$			

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 5

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group CLEVELAND CLINIC MERCY HOSPITAL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	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>250</u> %			
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)			
c <input type="checkbox"/> Asset level			
d <input checked="" type="checkbox"/> Medical indigency			
e <input checked="" type="checkbox"/> Insurance status			
f <input checked="" type="checkbox"/> Underinsurance status			
g <input checked="" type="checkbox"/> Residency			
h <input type="checkbox"/> Other (describe in Section C)			
14 Explained the basis for calculating amounts charged to patients?	14	X	
15 Explained the method for applying for financial assistance?	15	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)			
16 Was widely publicized within the community served by the hospital facility?	16	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>CANTONMERCY.ORG/FINANCIAL-ASSISTANCE</u>			
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>CANTONMERCY.ORG/FINANCIAL-ASSISTANCE</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) 2020

PUBLIC INSPECTION COPY

Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 6

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group CLEVELAND CLINIC MERCY HOSPITAL

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

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why:	21	X	
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) 2020

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 7

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 CLEVELAND CLINIC MERCY HOSPITAL

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
23		X
24		X

Schedule H (Form 990) 2020

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

CLEVELAND CLINIC MERCY HOSPITAL:

PART V, SECTION B, LINE 5: CLEVELAND CLINIC MERCY HOSPITAL'S CHNA WAS DEVELOPED USING AND REVIEWING THE DATA GATHERED BY THE STARK COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT COMMITTEE WHICH IS A COLLABORATIVE COMMUNITY EFFORT.

THE STARK COUNTY COMMUNITY HEALTH ASSESSMENT PROCESS IS A COLLABORATION OF LOCAL PUBLIC HEALTH, HOSPITALS AND HEALTH CARE ORGANIZATIONS, SOCIAL SERVICES AGENCIES, NON PROFIT ORGANIZATIONS AND COMMUNITY VOLUNTEERS WHO MEET REGULARLY TO IDENTIFY COMMUNITY NEEDS AND DEVELOP A PLAN TO ADDRESS THOSE NEEDS. THE PROCESS IS AN ONGOING CYCLE WHICH INCLUDES: BUILDING PARTNERSHIPS; COORDINATING A CONSORTIUM; ASSESSING DATA, COMMUNITY NEEDS, AND CAPACITY; AND CONDUCTING PLANNING, PRIORITIZATION, INTERVENTIONS, IMPLEMENTATION AND EVALUTATION.

THE FIRST PHASE OF THE PROJECT, A COMMUNITY SURVEY, CONSISTED OF A RANDOM SAMPLE TELEPHONE SURVEY OF STARK COUNTY HOUSEHOLDS. THIS METHOD WAS USED TO ENSURE REPRESENTIVENESS OF THE POPULATION AND TO WARRANT STATISTICAL VALIDITY.

THE SECOND PHASE OF THE PROJECT, SECONDARY DATA ANALYSIS, CONSISTED OF REVIEWING AND ANALYZING SECONDARY DATA SOURCES TO IDENTIFY PRIORITY AREAS OF CONCERN WHEN COMPARED TO SURVEY DATA.

THE THIRD PHASE OF THE STUDY, A COMMUNITY HEALTH LEADER SURVEY, CONSISTED OF A WEB SERVEY OF COMMUNITY LEADERS WHOM ARE KNOWLEDGEABLE ABOUT PUBLIC

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

HEALTH. A TOTAL OF 101 COMMUNITY HEALTH LEADERS COMPLETED THE WEB SURVEY.

THE FOURTH AND FINAL PHASE, A COMMUNITY FOCUS GROUP, CONSISTED OF A FACILITATED DISCUSSION WITH A DEMOGRAPHIC MIX OF ADULT STARK COUNTY RESIDENTS. AFTER GATHERING AND UTILIZING THIS DATA, THE CENTER FOR MARKETING AND OPINION RESEARCH (CMOR) IDENTIFIED PRIORITY HEALTH NEEDS FOR OUR SERVICE AREAS.

CLEVELAND CLINIC MERCY HOSPITAL:

PART V, SECTION B, LINE 6A: CLEVELAND CLINIC MERCY HOSPITAL WORKED WITH TWO OTHER NOT-FOR-PROFIT COUNTY HOSPITALS, AULTMAN HOSPITAL AND AULTMAN ALLIANCE COMMUNITY HOSPITAL WHO WERE PART OF THE STARK COUNTY COMMUNITY HEALTH ASSESSMENT ADVISORY COMMITTEE.

CLEVELAND CLINIC MERCY HOSPITAL:

PART V, SECTION B, LINE 6B: THE STARK COUNTY COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) ADVISORY COMMITTEE IS MADE UP OF A VARIETY OF HEALTH AND SOCIAL SERVICES AGENCIES AND VOLUNTEERS IN THE COMMUNITY. THE FOLLOWING AGENCIES HAVE BEEN INVOLVED IN THE 2019 CHNA PROCESS: ACCESS HEALTH STARK COUNTY; ALLIANCE COMMUNITY HOSPITAL; ALLIANCE CITY HEALTH DEPARTMENT; ALLIANCE CITY HEALTH DEPARTMENT; ALLIANCE FAMILY HEALTH CENTER; AULTMAN HEALTH FOUNDATION; AULTMAN HOSPITAL, AULTMAN ALLIANCE COMMUNITY HOSPITAL, BEACON PHARMACY, CANTON CITY HEALTH DEPARTMENT; COMMQUEST, LIFECARE FAMILY HEALTH AND DENTAL CENTER (LIFECARE), MASSILLON CITY HEALTH DEPARTMENT; MERCY MEDICAL CENTER; MY COMMUNITY HEALTH CENTER (MCHC); OSU EXTENSION;

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

PARAMOUNT ADVANTAGE; PEGASUS FARM; SISTERS OF CHARITY FOUNDATION OF
CANTON; STARTFRESH; STARK COUNTY COMMUNITY ACTION AGENCY (SCCAA); STARK
COUNTY FAMILY COUNCIL; STARK COUNTY HEALTH DEPARTMENT (SCHD); STARK COUNTY
JOBS AND FAMILY SERVICES (SCHFS); STARK COUNTY MENTAL HEALTH & ADDICTION
RECOVERY (STARKMHAR); STARK COUNTY TREATMENT ACCOUNTABILITY FOR SAFER
COMMUNITIES AGENCY (TASC); STARK PARKS; AND UNITED WAY OF GREATER STARK
COUNTY.

CLEVELAND CLINIC MERCY HOSPITAL:

PART V, SECTION B, LINE 11: DURING THE CHNA, THE FOLLOWING HEALTH NEEDS
WERE IDENTIFIED FROM A COMMUNITY PERSPECTIVE AND INCORPORATED INTO MERCY'S
IMPLEMENTATION PLAN, AND ARE LISTED BELOW.

1. ACCESS TO HEALTHCARE AND DENTAL CARE

* CONTINUE TO OPERATE MERCY'S 10 COMMUNITY OUTPATIENT HEALTH CENTERS,
STRATEGICALLY LOCATED IN STARK AND NEIGHBORING COUNTIES. THESE CENTERS
PROVIDE AFFORDABLE AND ACCESSIBLE URGENT CARE AND AMBULATORY HEALTH CARE
CLOSE TO HOME.

*CONTINUE TO SERVE UNINSURED AND UNDERINSURED PATIENTS THROUGH OUR
AMBULATORY CARE CLINIC WHICH PROVIDES INTERNAL MEDICINE AND OB/GYN CARE.

*CONTINUE MERCY PROFESSIONAL CARE PHYSICIANS, A NETWORK OF MEDICAL
PROFESSIONAL OWNED AND MANAGED BY MERCY TO HELP ENSURE ACCESS TO PRIMARY
CARE, SURGEONS, PAIN MANAGEMENT, CARDIOLOGISTS, CARDIAC SURGEONS AND
PULMONARY AND CRITICAL CARE PHYSICIANS.

*CONTINUE TO PROVIDE AND GROW DENTAL SERVICES OFFERED TO UNDERSERVED AND
UNINSURED PATIENTS AT BOTH THE MAIN MERCY CAMPUS AND MERCY ST. PAUL SQUARE

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

IN URBAN NORTHEAST CANTON.

*CONTINUE DENTAL SERVICE OUTREACH EFFORTS INCLUDING FREE ORAL SCREENINGS, DENTAL SCREENINGS AND EDUCATION AT SCHOOLS AND COMMUNITY HEALTH FAIRS.

*CONTINUE MERCY DENTAL RESIDENCY PROGRAM TO EDUCATE AND TRAIN SKILLED DENTISTS IN OUR COMMUNITY.

2. HEROIN/OPIATE USE

*CONTINUE AND EXPAND OUR WORK IN A COLLABORATIVE AND INTERDISCIPLINARY WAY WITH AREA AGENCIES, INCLUDING COMMQUEST, STARK MENTAL HEALTH & ADDICTION RECOVERY SERVICES, AND OTHERS, TO DESIGN AND IMPLEMENT STRATEGIES THAT ADDRESS THIS NEED.

*SUPPORT AND MARKET MERCY PAIN MANAGEMENT SERVICES TO OUR COMMUNITY, TO PROVIDE EDUCATION AND RESOURCES FOR CHRONIC PAIN SUFFERS AND OTHERS USING OPIOIDS.

*UPDATE THE PAIN MANAGEMENT PUBLICATION, OPIOIDS: INFORMATION, WARNINGS AND RESOURCES AND THEN DISTRIBUTE TO AREA AGENCIES AND THE COMMUNITY AS AN INFORMATION TOOL.

3. INFANT MORTALITY

*CONTINUE ACTIVE PARTICIPATION IN STARK COUNTY THRIVE, A COMMUNITY-WIDE INITIATIVE.

*CONTINUE DISTRIBUTION OF FREE INFANT SLEEP SACKS AND SAFE SLEEP EDUCATIONAL MATERIALS TO ALL NEW PARENTS AT MERCY. THIS IS FUNDED WITH DONATIONS BY THE MERCY SERVICE LEAGUE WOMEN'S AUXILIARY AND QUOTA CLUB OF MASSILLON.

*OFFER UNINSURED AND UNDERINSURED PATIENTS PRENATAL SERVICES THROUGH THE MERCY OB/GYN SERVICES, THEREBY ENCOURAGING EARLY ACCESS TO PRENATAL CARE

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

AND WORKING TO ENSURE FULL-TERM PREGNANCIES. EDUCATION AND SUPPORT IS ALSO OFFERED THROUGH THIS SERVICE.

*CONTINUE THE HEALTHY MOM, HEALTHY BABY PRENATAL EDUCATION PROGRAM IN UNDERSERVED AREAS. THIS PROGRAM EMPHASIZE SAFE SLEEP, BREASTFEEDING AND OTHER TOPICS ENCOURAGING BETTER PREGANCY OUTCOMES.

*CONTINUED TO PROVIDE MOMMY EMPOWERMENT MISSION OUTREACH PROGRAMS THAT PROVIDE WOMEN'S HEALTH EDUCATION TO WOMEN OF CHILD-BEARING AGE AND THEIR SUPPORT NETWORK.

*INVESTIGATE OPTIONS FOR OFFERING CENTERING PREGNANCY AT MERCY MEDICAL CENTER.

*CONTINUE TO PROVIDE PRENATAL PROGRAMS COMPLETELY IN SPANISH TO SUPPORT LIMITED ENGLISH PROFICIENCY/SPANISH SPEAKING WOMEN AND THEIR PARTNERS/SPOUSES.

4. MENTAL HEALTH SERVICES/SUICIDE

*CONTINUE USE OF NURSE NAVIGATORS/CASE MANAGERS IN THE EMERGENCY DEPARTMENT TO ASSIST WITH THE CRISIS INTERVENTION FOR PATIENTS AND FAMILIES IN NEED. PROVIDE ASSISTANCE WITH REFERRALS AND PLACEMENTS WHEN NEEDED.

*COLLABORATE WITH AREA AGENCIES, INCLUDING COLEMAN CRISIS CENTER AND STARK MENTAL HEALTH & ADDICTION RECOVERY SERVICES, ON PROGRAMS AND OPTIONS FOR IMPROVING ACCESS TO CARE.

*INITIATE BEHAVIORAL HEALTH SERVICES AT MERCY ST, PAUL TO BE PROVIDED BY MERCY ADVANCE PRACTICE BEHAVIORAL NURSE.

*INITIATE AND CONTINUE TO PROMOTE MENTAL HEALTH SERVICES PROVIDED AT MERCY HEALTH CENTER-PLAIN BY ADVANCED PRACTICE BEHAVIORAL HEALTH NURSE HOURS.

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

*CONTINUE AND EXPAND AS NEEDED THE MERCY HAVEN (HEALING AFTER VIOLENT ENCOUNTERS NETWORK) PROGRAM, PROVIDING IMMEDIATE SPECIALIZED CARE AND OPTIONS TO VICTIMS OF ASSULT. PROMOTE THE EDUCATIONAL AND AWARENESS ASPECT OF THIS PROGRAM IN THE COMMUNITY.

5. OBESITY AND HEALTHY LIFESTYLE CHOICES

*CONTINUE MISSION OUTREACH HEALTHY LIFESTYLE PROGRAMMING, INCLUDING THE SUMMER DAY CAMPS AND AFTER SCHOOL PROGRAMS, IN COLLABORATION WITH CANTON CITY SCHOOLS, CANTON CITY PARKS, STARK PARKS, AND OTHER COMMUNITY AGENCIES THAT FOCUS ON NUTRITION, EXERCISE AND ORAL HEALTH.

*CONTINUE THE MERCY WEIGHT MANAGEMENT PROGRAM.

*CONTINUE TO OFFER MONTHLY LUNCH & LEARN PROGRAMS AT MERCY ST. PAUL SQUARE, FOCUSING ON MODIFIABLE HEALTH RISKS AND DISEASE PREVENTION AND DIABETES MANAGEMENT.

*CONTINUE TO PROVIDE THE SERVICES OF A HEALTH COACH AT MERCY ST. PAUL WHO ASSISTS WITH AND SUPPORTS RESIDENTS AND PATIENTS WITH HEALTHY LIFESTYLE CHOICES AND HELPS TO ADDRESS THE SOCIAL DETERMINANTS OF HEALTH.

*CONTINUE MERCY'S SMOKING CESSATION EDUCATIONAL CLASSES AND OUTREACH EDUCATION.

*CONTINUE PARTICIPATION IN APPROPRIATE COMMUNITY HEALTH FAIRS AND EDUCATIONAL EVENTS THAT PROMOTE HEALTHY LIFESTYLES.

*CONTINUE COLLABORATION WITH THE STARK COUNTY DISTRICT LIBRARY TO OFFER A COMMUNITY HEALTH FAIR FEATURING FREE SCREENINGS AND EDUCATION.

CLEVELAND CLINIC MERCY HOSPITAL:

PART V, SECTION B, LINE 20E: UPON ADMISSION AS A SELF-PAY PATIENT, A

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 8

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.

HOSPITAL REPRESENTATIVE MEETS WITH THE PATIENT IN THEIR ROOM WHEN
PERMITTED DURING PANDEMIC RESTRICTIONS TO DISCUSS IF THEY MAY BE ELIGIBLE
FOR GOVERNMENT ASSISTANCE PROGRAMS OR IF THEY QUALIFY UNDER OUR FAP.
TELEPHONE CALLS TO THE ROOM WERE ATTEMPTED DURING THE PANDEMIC AND CALLS
TO AUTHORIZED FAMILY MEMBERS OR POWER OF ATTORNEY WERE MADE.

TELEPHONE CALLS TO THE HOME ARE ATTEMPTED. INFORMATION IS INCLUDED IN THE
STATEMENTS GOING OUT TO OUR PATIENTS WITH REGARD TO ELIGIBILITY FOR
FINANCIAL ASSISTANCE.

PART V, SECTION B, LINE 20A:

CLEVELAND CLINIC MERCY HOSPITAL DOES PROVIDE A WRITTEN NOTICE OF THE
UPCOMING EXTRAORDINARY COLLECTION ACTION THAT WILL BE TAKEN ON THE FINAL
STATEMENT IF THE PATIENT DOES NOT TAKE ANY ACTION. A PLAIN LANGUAGE
SUMMARY OF THE FAP IS ONLY SENT OUT IF REQUESTED BY THE PATIENT.

PART V, SECTION B, LINE 20C:

CLEVELAND CLINIC MERCY HOSPITAL DOES NOT PROCESS INCOMPLETE APPLICATIONS.
WHEN AN APPLICATION IS MISSING INFORMATION, A LETTER IS SENT OUT TO THE
PATIENT DETAILING WHAT IS STILL NEEDED. ONCE THE APPLICATION IS
COMPLETED, IT IS PROCESSED.

PART V, SECTION B, LINE 20D:

CLEVELAND CLINIC MERCY HOSPITAL DOES NOT PERFORM PRESUMPTIVE ELIGIBILITY
DETERMINATIONS.

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 9

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? 18

Name and address	Type of Facility (describe)
1 MERCY HEALTH CENTER OF JACKSON 7337 CARITAS CIRCLE NW MASSILLON, OH 44646	URGENT CARE; THERAPY; IMAGING; LAB; PAIN MGMT; CARDIO DIAG; PRIMARY CARE
2 MERCY HEALTH CENTER OF NORTH CANTON 6200 WHIPPLE AVE NW CANTON, OH 44720	URGENT CARE; THERAPY; IMAGING; LAB; SPORTS MEDICINE & CARDIO REHAB
3 MERCY HEALTH CENTER OF CARROLL COUNTY 125 CANTON ROAD CARROLLTON, OH 44615	URGENT & PRIMARY CARE; IMAGING & LAB
4 MERCY HEALTH CENTER OF MASSILLON 2935 LINCOLN WAY MASSILLON, OH 44647	URGENT CARE; IMAGING; LAB, CARIDAC SERVICES & THERAPIES
5 MERCY HEALTH CENTER OF TUSCARAWAS COU 1031 WEST HIGH STREET NEW PHILADELPHIA, OH 44663	URGENT CARE; THERAPY; IMAGING; LAB & CARDIO DIAG
6 MERCY HEALTH CENTER OF PLAIN 2638 EASTON NE CANTON, OH 44721	URGENT CARE; IMAGING; LAB & SPORTS MEDICINE
7 MERCY HEALTH CENTER OF ALLIANCE 149 E SIMPSON STREET ALLIANCE, OH 44601	PRIMARY CARE; IMAGING; LAB & PAIN MANAGEMENT
8 MERCY HEALTH CENTER OF LAKE 432 KING CHURCH AVENUE NW UNIONTOWN, OH 44685	IMAGING; LAB, THERPY & SPORTS MEDICINE
9 MERCY HEALTH CENTER OF LOUISVILLE 1302 WEST MAIN STREET LOUISVILLE, OH 44641	IMAGING SERVICES & LAB
10 MERCY HEALTH CENTER OF CARROLL COUNTY 1001 CANTON ROAD CARROLLTON, OH 44615	THERAPY

Schedule H (Form 990) 2020

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 9

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? 18

Name and address	Type of Facility (describe)
11 MERCY UROLOGY 1330 MERCY DRIVE NW, SUITE 420 CANTON, OH 44708	UROLOGY SERVICES
12 MERCY ST. PAUL SQUARE 1459 SUERIOR AVENUE NE CANTON, OH 44705	PRIMARY & DENTAL CARE
13 MERCY UROLOGY 1330 MERCY DRIVE NW, SUITE 502 CANTON, OH 44708	UROLOGY SERVICES
14 MEDICAL SURGICAL CARE 1330 MERCY DRIVE NW CANTON, OH 44708	SURGICAL SERVICES
15 MERCY PRIMARY CARE BELDEN 4909 MUNSON AVENUE CANTON, OH 44718	PRIMARY CARE
16 MERCY PRIMARY CARE - METRO 601 CLEVELAND AVE NW CANTON, OH 44702	PRIMARY CARE
17 MERCY RHEUMATOLOGY 1330 MERCY DRIVE NW, SUITE 325 CANTON, OH 44708	RHEUMATOLOGY SERVICES
18 RAD-DOVER 515 UNION AVENUE, SUITE 187 DOVER , OH 44622	PRIMARY CARE

Schedule H (Form 990) 2020

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Schedule H (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

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 6A:

THE CLEVELAND CLINIC FOUNDATION

PART I, LINE 6B:

ON FEBRUARY 1, 2021 CLEVELAND CLINIC BECAME THE SOLE MEMBER OF CLEVELAND CLINIC MERCY HOSPITAL (MERCY), FORMERLY KNOWN AS MERCY MEDICAL CENTER. MERCY'S 2020 COMMUNITY BENEFIT RESULTS ARE DISCUSSED IN THE CLEVELAND CLINIC'S ENTERPRISE-WIDE COMMUNITY BENEFIT REPORT.

PART I, LINE 7:

COST OF CHARITY WAS CALCULATED USING A COST TO CHARGE RATIO. TOTAL EXPENSES USED FOR THE RATIO DID NOT INCLUDE BAD DEBT, ANY MEDICAID PROVIDER ASSESSMENTS OR FEES, NOR ANY PROCEEDS FROM THE HCAP PROGRAM. THAT ADJUSTED EXPENSE WAS THEN DIVIDED BY CHARGES TO OBTAIN THE COST-TO-CHARGE RATIO USED.

PART I, LINE 7, COLUMN (F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25 (A), BUT

032100 12-02-20

Schedule H (Form 990) 2020

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS

\$17,426,752.

PART II, COMMUNITY BUILDING ACTIVITIES:

DYNAMICALLY INVOLVED IN THE COMMUNITIES WHERE WE SERVE, MERCY HAS MULTI-FACETED OUTREACH EFFORTS IN PLACE. THESE INCLUDE: COMMUNITY OUTREACH, FAITH COMMUNITY NURSING, IMMIGRANT HEALTH OUTREACH, MERCY INTERNATIONAL MISSION OUTREACH, AND MISSION OUTREACH.

COMMUNITY OUTREACH:

MERCY'S MISSION OUTREACH CONTINUED TO SERVE THE COMMUNITY EVEN DURING THE CHALLENGES OF THE 2020 COVID PANDEMIC. THE FOCUS, IN KEEPING WITH THE PRIORITIES OF THE COMMUNITY HEALTH NEEDS ASSESSMENT AND OUR MISSION OF HEALING MINISTRY, CONTINUED TO BE HEALTH AND WELLNESS ORIENTED WITH MANY PROGRAMS OFFERED COLLABORATIVELY WITH CANTON CITY SCHOOLS. WE CONTINUED THE LONG (25+ YEAR) TRADITION OF OUTREACH IN SOUTH EAST CANTON (THE CITY'S POOREST NEIGHBORHOOD AND A FOOD DESERT) BUT ALSO CONTINUED TO EXPAND OUTREACH IN URBAN NORTH EAST CANTON (A MEDICALLY UNDERSERVED AREA AND A FOOD DESERT). SOME OF THE OUTREACH PROGRAMS PROVIDED IN 2020 INCLUDED: ONE PRENATAL HEALTH EDUCATION PROGRAM, HELD AT MERCY'S MAIN CAMPUS (PLANNED SPECIFICALLY FOR THE LATINO POPULATION AND PRESENTED IN SPANISH), FOR A TOTAL OF 35 PREGNANT WOMEN; ONE SUMMER HEALTH WEEKLY OUTREACH PROGRAM THAT PROVIDED CRAFTS AND HEALTHY SNACKS TO 30 NEIGHBORHOOD CHILDREN IN NORTH EAST CANTON (THIS WAS COVID SAFE AND OFFERED IN PLACE OF THE USUAL DAY CAMP); THREE AFTER-SCHOOL HEALTH PROGRAMS IN PARTNERSHIP WITH CANTON CITY SCHOOL DISTRICT FOR A TOTAL OF 82 ELEMENTARY SCHOOL AGE CHILDREN. A VIRTUAL DENTAL ASSEMBLY FOR 250 ALLEN ELEMENTARY SCHOOL STUDENTS BROUGHT THE CHILDREN CHRISTMAS CHEER, EDUCATION AND A GIFT BAG OF

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

ORAL HEALTH PRODUCTS. MERCY'S URBAN NORTH EAST CANTON ST. PAUL SQUARE

HEALTH FACILITY COMMUNITY MONTHLY LUNCH AND LEARN SESSIONS PROVIDED

EDUCATION ON DIABETES AND OTHER HEALTH TOPICS TO 68 PARTICIPANTS. FOR OUR ANNUAL CHRISTMAS WINTER WELLNESS, WE HOSTED A GIVEAWAY FOR FAMILIES AT OUR ST. PAUL SQUARE FACILITY AND WE PROVIDED WINTER WELLNESS CARE PACKAGES TO OVER 100 FAMILIES.

IN ORDER TO SUPPORT FAMILIES SUFFERING FROM THE HEALTH AND ECONOMIC EFFECTS OF THE COVID-19 PANDEMIC, WE PROVIDED HEALTHY, READY TO WARM AND EAT MEALS, FAMILY GAMES, HOUSEHOLD ITEMS AND HYGIENE PRODUCTS TO OVER 6,060 COMMUNITY MEMBERS IN SOUTH EAST CANTON OVER A 7-MONTH PERIOD. MERCY PERSONNEL FROM A VARIETY OF DEPARTMENTS PARTICIPATED IN OUTREACH ACTIVITIES AND PROVIDED PROFESSIONAL SUPPORT. MISSION OUTREACH WORKS WITH MERCY NUTRITION SERVICES, SUPPLY CHAIN, AND THE DEVELOPMENT FOUNDATION AS WELL. ALL TOLD, OVER 6,625 INDIVIDUAL CONTACTS WERE MADE BY MISSION OUTREACH DURING 2020. WITH THE ASSISTANCE OF A GENEROUS GRANT FROM THE SISTERS OF THE HUMILITY OF MARY (HM SISTERS) MERCY WAS ABLE TO KEEP A WELLNESS RESOURCE COACH AT ST. PAUL'S. THE COACH ASSISTED BOTH PATIENTS AND AREA RESIDENTS WITH SUCH THINGS AS ACCESSING PRESCRIPTION ASSISTANCE, BLOOD PRESSURE MONITORING, HEALTH EDUCATION, EMERGENCY FOOD ASSISTANCE, AND TRANSPORTATION NEEDS. THE COACH ALSO ASSISTED BOTH MEDICAL AND DENTAL TEAMS AT ST. PAUL'S. A SECOND GRANT FROM THE HM SISTERS COVERED THE COST OF THE EXTENSIVE FAMILY MEAL PROGRAM IN SOUTH EAST CANTON. THE HM SISTERS ALLOWED US TO REPURPOSE WELL OVER \$30,000 IN ORDER TO MEET EMERGENCY NEEDS IN THE COMMUNITY ENCOUNTERED BECAUSE OF COVID.

IMMIGRANT HEALTH OUTREACH CONTINUED TO PROVIDE MUCH NEEDED SERVICES. THE NEW COORDINATOR OF THIS PROGRAM HOLDS AN ASSOCIATE DEGREE IN RADIOLOGY

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

TECHNOLOGY AND HAS BEEN PART OF OUR MERCY TEAM FOR A NUMBER OF YEARS, WORKING IN PATIENT ACCESS. OUR SKILLED INTERPRETERS, A NUMBER OF WHOM HOLD NATIONAL CERTIFICATION, CONTINUE TO SERVE MANY SPANISH SPEAKING, RECENTLY ARRIVED IMMIGRANT FAMILIES WHO DEEPLY APPRECIATE THE LANGUAGE SUPPORT THEY RECEIVE AT MERCY. DUE TO POVERTY AND, AT TIMES, IMMIGRATION STATUS, THIS IS A VERY VULNERABLE POPULATION IN NEED OF BOTH EPISODIC AND CONTINUING CARE. THANKS, IN PART, TO THE GENEROUS SUPPORT OF THE SISTERS OF CHARITY FOUNDATION OF CANTON, AS WELL AS TO FUNDING FOR LANGUAGE SUPPORT FROM THE SISTERS OF THE HUMILITY OF MARY, IMMIGRANT HEALTH OUTREACH WAS ABLE TO OFFER THE FOLLOWING IN 2020 FOR PEOPLE WHO ARE UNABLE TO SPEAK ENGLISH. ENCOUNTERS VARY IN LENGTH FROM 15 MINUTES (E.G. LAB WORK) TO 8-10 HOURS (E.G. LABOR AND DELIVERY). THE FOLLOWING IS NOT INCLUSIVE OF ALL SERVICES PROVIDED.

1,936 PATIENT VISITS IN MERCY AMBULATORY CARE CLINICS

77 PATIENTS VISITS TO MERCY EMERGENCY DEPARTMENT

78 PATIENTS SERVED IN MERCY DENTAL CLINIC AND 34 AT ST. PAUL DENTAL OFFICE

39 PATIENTS WERE SERVED IN MERCY SAME DAY SURGERY

172 BABIES WERE BORN TO IMMIGRANT MOTHERS AT MERCY

304 PATIENTS WERE SERVED IN THE OUTPATIENT LAB

452 PATIENTS WERE SERVED IN MERCY ULTRASOUND, RADIOLOGY, CT SCAN, MRI, MAMMOGRAM AND X-RAY DEPARTMENT.

135 PHYSICIAN AND VACCINATION APPOINTMENTS WERE COVERED AT ST. PAUL SQUARE.

244 ENCOUNTERS WERE SUPPORTED IN MEETINGS WITH THE MERCY FINANCIAL COUNSELOR IN THE ACC CLINIC, WITH HCAP PAPERWORK.

149 PATIENT ENCOUNTERS IN MEDICAL RECORDS, ON PATIENT UNITS, IN

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

PHARMACY AND PHYSICIAN VISITS WERE SUPPORTED

35 PATIENT VISITS WERE SUPPORTED AT VARIOUS MERCY THERAPY LOCATIONS

TOTAL OF 3,626 FOR ALL PATIENT ENCOUNTERS AND CLOSE TO 5,000 HOURS OF
INTERPRETATION. NOTE: THIS IS ABOUT 1,000 FEWER HOURS THAN 2019 DUE TO
COVID-19.

PART III, LINE 2:

BAD DEBT IS ESTIMATED BASED UPON HISTORICAL REVIEWS AND CURRENT TRENDS.
HISTORICAL WRITE-OFFS ARE MONITORED IN ORDER TO ESTIMATE BAD DEBT WRITE
OFFS BASED UPON THE PAYOR MIX AND THE AGING OF ACCOUNTS RECEIVABLE.

PART III, LINE 3:

IT'S ESTIMATED THAT 10.1% OF BAD DEBT WRITE-OFFS MAY HAVE QUALIFIED AS
CHARITY. THAT ESTIMATION EXCLUDES THE 57.1% OF WRITE-OFFS FROM PEOPLE
WITH INSURANCE ASSUMING THEY HAVE A BETTER ABILITY TO PAY. THAT RESULT
WAS THEN SPLIT 23.5/76.5% BASED UPON THE CHARITY TO BAD DEBT WRITE-OFF
RATIO.

PART III, LINE 4:

FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE
THIRD-PARTY COVERAGE, THE SYSTEM ANALYZES CONTRACTUALLY DUE AMOUNTS AND
PROVIDES AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND A PROVISION FOR BAD
DEBT, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES
AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD PARTY PAYOR HAS NOT YET
PAID, OR FOR PAYORS WHO ARE DETERMINED TO HAVE FINANCIAL DIFFICULTIES THAT
MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY), FOR RECEIVABLES ASSOCIATED
WITH SELF-PAY PATIENTS (WHICH INCLUDE BOTH PATIENTS WITHOUT INSURANCE AND

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE SYSTEM RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE, THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE.

ACCOUNTS RECEIVABLE FOOTNOTE IS DISCLOSED IN THE FINANCIAL STATEMENTS IN NOTE 2 ON PAGE 8.

PART III, LINE 8:

THE AMOUNTS WERE DETERMINED BASED ON INFORMATION FROM THE MEDICARE 2020 COST REPORT.

PART III, LINE 9B:

CLEVELAND CLINIC MERCY HOSPITAL HAS A FINANCIAL ASSISTANCE POLICY THAT INCLUDES OUR SELF-PAY DISCOUNTS. IN ADDITION, WE HAVE A SEPARATE COLLECTION POLICY. THESE POLICIES MAKE MANY OPTIONS KNOWN AND AVAILABLE TO THE PATIENTS IT SERVES. WHEN PATIENTS QUALIFY FOR FINANCIAL/CHARITY ASSISTANCE, THEIR ACCOUNT BALANCE IS EITHER WRITTEN OFF OR REDUCED USING A CHARITY ADJUSTMENT CODE. ANY RESIDUAL ACCOUNT BALANCE AFTER CHARITY ADJUSTMENTS ARE SUBJECT TO THE SAME COLLECTION PROCEDURES AS ALL OTHER PATIENTS.

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

PART VI, LINE 2:

CLEVELAND CLINIC MERCY HOSPITAL COLLABORATES WITH NUMEROUS COMMUNITY ORGANIZATIONS AND SOCIAL SERVICE AGENCIES AS PART OF ITS MISSION OUTREACH AND COMMUNITY HEALTH INITIATIVES. PART OF THE COLLABORATION INVOLVES PARTICIPATION ON THE BOARD OF DIRECTORS FOR THE UNITED WAY OF GREATER STARK COUNTY, THE BEACON CHARITABLE PHARMACY, THE AMERICAN HEART ASSOCIATION, WALSH UNIVERSITY, THE AUSTIN BAILEY HEALTH & WELLNESS FOUNDATION, ARTS IN STARK, ACCESS HEALTH STARK COUNTY, URBAN LEAGUE, COMPASSION DELIVERED AND MANY OTHERS. ALL OF THESE GROUPS HAVE A ROLE IN LOOKING AT THE OVERALL HEALTH AND WELLNESS OF OUR COMMUNITY.

PART VI, LINE 3:

THERE IS SIGNAGE IN EACH WAITING AREA STATING THAT PATIENTS MIGHT BE ELIGIBLE FOR CHARITY CARE, FINANCIAL COUNSELORS MEET WITH MANY PATIENTS AND EXPLAIN OPTIONS AVAILABLE AND GET ELIGIBLE PATIENTS SIGNED UP FOR MEDICAID, OR QUALIFIED FOR CHARITY OR HCAP, THE PATIENT BILLING STATEMENTS CONTAIN NOTICES THAT PATIENTS MIGHT BE ELIGIBLE FOR CHARITY CARE.

PART VI, LINE 4:

THE COMMUNITY SERVED BY THE HOSPITAL IS DEFINED BASED ON THE GEOGRAPHIC ORIGINS OF THE HOSPITAL'S PATIENTS. OUR PRIMARY SERVICE AREA IS STARK COUNTY, OHIO. OUR SECONDARY SERVICE AREAS ARE IN TUSCARAWAS COUNTY AND CARROLL COUNTY.

THE FOLLOWING DESCRIPTION OF OUR PRIMARY AREA OF STARK COUNTY IS TAKEN DIRECTLY FROM THE 2017 STARK COUNTY INDICATORS REPORT AND UPDATED FOR 2020 NUMBERS AND THE COMMUNITY ASSESSMENT-2020 EDITION REPORT:

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

POPULATION:

IN 2020, THE POPULATION WAS 370,606. THE OVERALL POPULATION IN STARK COUNTY HAS BEEN SLIGHTLY DECREASING SINCE 2014.

RACIAL:

STARK COUNTY IS RACIALLY AND ETHNICALLY HOMOGENOUS. MINORITY POPULATIONS REPRESENT APPROXIMATELY 13.5% OF THE TOTAL POPULATION. WHILE MINORITY GROUPS HAVE INCREASED IN NUMBER, THEY STILL REPRESENT A VERY SMALL, BUT INCREASING, PORTION OF THE POPULATION. STARK COUNTY IS ALSO RACIALLY AND ETHNICALLY SEGREGATED. MINORITIES LIVE IN POCKETS WITHIN THE COUNTY. THE URBAN AREAS OF STARK COUNTY (ALLIANCE, CANTON, AND MASSILLON) HAVE A MUCH HIGHER PERCENTAGE OF MINORITIES THAN THE SUBURBAN AREAS OF THE COUNTY.

AGE:

THE POPULATION IN STARK COUNTY, LIKE THAT OF THE STATE AND THE NATION, IS AGING. ADULTS AGES 60 AND OLDER OUTNUMBER CHILDREN UNDER AGE 18. STARK COUNTY HAS A SLIGHTLY OLDER POPULATION THAN OHIO AS A WHOLE, YET CANTON HAS A SLIGHTLY YOUNGER POPULATION. ALLIANCE HAS THE HIGHEST PERCENTAGE OF RESIDENTS UNDER AGE 25.

INCOME:

STARK COUNTY'S STANDARD MEASURES OF INCOME (PER CAPITA, MEDIAN FAMILY AND MEDIAN HOUSEHOLD) ARE BELOW THAT OF THE STATE AS WELL AS THE NATION. THE MEDIAN HOUSEHOLD INCOME IN STARK COUNTY IS \$52,190.

STARK COUNTY'S POVERTY RATE, AT 10%, IS BETTER THAN THE OHIO AVERAGE, AND MOST MUNICIPALITIES WITHIN THE COUNTY ARE BELOW STARK'S COUNTY'S RATE.

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

HOWEVER, THE POVERTY RATE IN CANTON IS MORE THAN TWICE THAT OF THE COUNTY AS A WHOLE, WHILE ALLIANCE IS 1.5 TIMES AS HIGH. THE POVERTY IS CONCENTRATED WITHIN CERTAIN AREAS OF STARK COUNTY, MAINLY THE LARGER CITIES.

EMPLOYMENT:

UNEMPLOYMENT HAS CONSISTENTLY REMAINED AT APPROXIMATELY 4% TO 5% WITHIN STARK COUNTY SINCE 2014.

PHYSICAL HEALTH:

THE ENVIRONMENT, NUTRITION, ACCIDENTS, ILLNESS AND AGE ARE FACTORS THAT AFFECT PHYSICAL HEALTH. A HIGHER INFANT MORTALITY RATE IN THE AFRICAN-AMERICAN POPULATION AND AN INCREASE IN SEXUALLY TRANSMITTED INFECTIONS (STIS) ARE NEGATIVE TRENDS THAT ARE EMERGING LOCALLY. IN STARK COUNTY THERE ARE SIGNIFICANT DISPARITIES BETWEEN THE CAUCASIAN AND AFRICAN-AMERICAN POPULATIONS INCLUDING PRENATAL CARE, BIRTH WEIGHTS, INFANT MORTALITY RATES, AND STIS. HEALTH DISPARITIES ARE DIFFERENCES THAT CAN BE SEEN IN SPECIFIC POPULATIONS OF A COMMUNITY IN RELATIONS TO DISEASES, HEALTH OUTCOMES OR QUALITY OF HEALTH CARE RECEIVED. SEVERAL VARIABLES IMPACTING DISPARITIES ARE HEALTH BEHAVIORS, STATUS BEFORE CARE, ACCESS TO HEALTHCARE AND HEALTHCARE DELIVERY.

BEHAVIORAL HEALTH:

BEHAVIORAL HEALTH INCLUDES MENTAL HEALTH, SUBSTANCE ABUSE TREATMENT AND PREVENTION SERVICES. MANY AFFECTED WITH MENTAL ILLNESS DO NOT SEEK OR RECEIVE THE TREATMENT NEEDED. BARRIERS TO ACCESSING TREATMENT INCLUDE STIGMA, LACK OF OR INADEQUATE INSURANCE COVERAGE, LIMITED PROGRAM CAPACITY AND WAIT TIME. THE HIGHEST RATES OF MENTAL ILLNESS ARE AMONG ADULTS AGED

Schedule H (Form 990)

PUBLIC INSPECTION COPY

Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

25 TO 34 YEARS OLD, DEPRESSIVE, BIPOLAR, ANXIETY, ALCOHOL ABUSE AND OPIOID USE DISORDERS ARE THE MOST FREQUENT DIAGNOSES AMONG ADULTS. THE LEADING DIAGNOSES FOR CHILDREN ARE ADJUSTMENT, CONDUCT, ATTENTION DEFICIT, ANXIETY AND DEPRESSIVE DISORDERS.

UNINTENTIONAL DRUG OVERDOSE DEATHS CONTINUE TO BE A CONCERN, WHILE UNINTENDED INTERACTIONS ARE A CAUSE OF DEATH, MOST POISONINGS SEEM TO LINKED TO RECREATIONAL USE.

DRUG OVERDOSES:

THERE WERE MORE THAN 5,000 EMERGENCY DEPARTMENT VISITS FOR OVERDOSES IN STARK COUNTY BETWEEN 2012 AND 2018. EMERGENCY VISITS TO MEDICAL PROVIDERS DUE TO DRUG OVERDOSE PEAKED IN STARK COUNTY IN 2017. WHILE OPIOID OVERDOSES ARE A SUBSTANTIAL SHARE OF TOTAL OVERDOSES, THIS DATA INCLUDES OTHER DRUGS AS WELL. THE AVERAGE AGE OF PEOPLE WHO OVERDOSED IN STARK COUNTY WAS SLIGHTLY YOUNGER THAN THE STATE AVERAGE.

ACCESS TO HEALTHCARE:

OVERALL, 8.2% OF STARK COUNTY'S POPULATION IS UNINSURED. AS THE COST OF HEALTH INSURANCE CONTINUES TO RISE, THE DEMAND FOR HEALTHCARE SERVICES AT A FREE/SLIDING FEE IS INCREASING. MORE STARK COUNTY RESIDENTS ARE WITHOUT HEALTH INSURANCE AND THE NUMBER OF INDIVIDUALS WHO ARE UNDERINSURED CONTINUES TO INCREASE. OF CONCERN ARE THE INDIVIDUALS BETWEEN THE AGE OF 30 AND 64 WITH CHRONIC MEDICAL PROBLEMS WHO HAVE DIFFICULTY MAINTAINING EMPLOYMENT BUT ARE NOT MEDICALLY DISABLED. EVEN IF AN INDIVIDUAL IS MEDICAID ELIGIBLE, FEW HEALTHCARE PROVIDERS, ESPECIALLY SPECIALISTS, ARE WILLING TO ACCEPT NEW MEDICAID PATIENTS, HAVING INSURANCE DOES NOT GUARANTEE EASY ACCESS TO AFFORDABLE, QUALITY CARE. BUSINESSES THAT OFFER HEALTH INSURANCE HAVE INCREASED THE EMPLOYEE PREMIUM CONTRIBUTION AND/OR

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

INCREASED THE DEDUCTIBLE PAID BY THE EMPLOYEE, OFTEN MAKING MEDICAL
COVERAGE MORE DIFFICULT TO AFFORD,

IN TERMS OF OUR SECONDARY MARKETS, CARROLL COUNTY HAD A POPULATION OF
26,914 AND TUSCARAWAS COUNTY HAD A POPULATION OF 91,987,

PART VI, LINE 5:

THE MAJORITY OF THE BOARD MEMBERS OF THE HOSPITAL RESIDE IN OUR SERVICE
AREA AND ARE NOT EMPLOYED OR CONTRACTED BY THE HOSPITAL. MERCY EXTENDS
MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN OUR COMMUNITY WHO
MEET THE HOSPITAL'S CREDENTIALING CRITERIA, MERCY PROVIDES AN EXTENSIVE
CONTINUING MEDICAL EDUCATION PROGRAM EACH YEAR, GOVERNED BY THE HOSPITAL'S
CME COMMITTEE.

APPROXIMATELY 635 PHYSICIANS AND DENTISTS ARE ON THE HOSPITAL STAFF
INCLUDING MERCY PROFESSIONAL CARE CORPORATION NETWORK OF PHYSICIANS, MERCY
EMPLOYS APPROXIMATELY 2,525 PEOPLE. MERCY IS A TEACHING HOSPITAL
AFFILIATED WITH NORTHEAST OHIO MEDICAL UNIVERSITY (NEOMED). OUR HOSPITAL
HAS 475 LICENSED ADULT BEDS, A LEVEL II TRAUMA CENTER AND EMERGENCY
DEPARTMENT THAT HAD 50,749 PATIENT VISITS, AN ACCREDITED EMERGENCY CHEST
PAIN CENTER (ECPC) WITH A DEDICATED, STATE-OF-THE-ART HEART
CATHETERIZATION LABORATORY LOCATED RIGHT IN THE ECPC.

CURRENTLY THE CENTERS OF EXCELLENCE INCLUDE MERCY HEART CENTER, MERCY
CANCER CENTER, MERCY EMERGENCY DEPARTMENT AND TRAUMA CENTER, MERCY SURGERY
AND ROBOTIC SURGERY CENTER AND MERCY DENTAL CENTER.

MERCY CONTINUES TO PROVIDE RICH COMMUNITY BENEFIT PROGRAMMING, TO DO SO IN

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

THE CURRENT CHALLENGING HEALTH CARE ENVIRONMENT DEMONSTRATES A TRUE
COMMITMENT AND ANSWER TO COMMUNITY NEEDS.

PART VI, LINE 6:

THE HOSPITAL IS OWNED BY THE SISTERS OF CHARITY OF ST. AUGUSTINE HEALTH
SYSTEM (SCHS). THEY OPERATE TWO HOSPITALS IN OHIO.

THE SCHS HAS THREE FOUNDATIONS THAT WERE ESTABLISHED IN 1996 WITH FUNDS
FROM THE SALES OF HOSPITALS IN OHIO AND SOUTH CAROLINA, THROUGH STRATEGIC
GRANTMAKING, CONVENINGS AND COLLABORATION, EACH OF THE THREE FOUNDATIONS
WORK TO ADDRESS ROOT CAUSES OF POVERTY, NURTURE THE GROWTH OF HEALTHY
COMMUNITITIES, EMPHASIZE THE NEEDS OF YOUTH AND FAMILIES AND MEASURE THE
OUTCOMES OF THESE EFFORTS.

THE SCHS ALSO HAS NUMEROUS OTHER PROGRAMS AIMED AT IDENTIFYING AND
ANSWERING UNMET AND EMERGING COMMUNITY NEEDS, THESE ORGANIZATIONS HAVE
EVOLVED TO MEET EVER-CHANGING COMMUNITY NEEDS, CLINICAL PRACTICES AND
TECHNOLOGY WITH A SHARED COMMITMENT TO REPRESENT THE COMPASSION AND
EXCELLENCE THAT DISTINGUISHES CATHOLIC HEALTH CARE.

MERCY HAS A FOR PROFIT PHYSICIAN GROUP. MERCY PROFESSIONAL CARE
CORPORATION EMPLOYS PRIMARY CARE AND SPECIALIST PHYSICIANS WHO HAVE
OFFICES IN SURROUNDING TOWNSHIPS AND COUNTIES OF THE MEDICAL CENTER AS
WELL AS IN SOME UNDERSERVED AREAS OF CANTON, THE MEDICAL CENTER FUNDED THE
\$12M LOSS THIS PHYSICIAN GROUP INCURRED IN 2020.

MERCY DEVELOPMENT FOUNDATION BEGAN OPERATING AS THE PHILANTHROPIC ARM OF
MERCY ON SEPTEMBER 24, 2011. THE SOLE PURPOSE OF THE FOUNDATION IS TO

Schedule H (Form 990)

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Schedule H (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439 Page 10

Part VI Supplemental Information (Continuation)

CREATE, IMPLEMENT, MAINTAIN, AND STEWARD DONORS AND ORGANIZATIONS, AND TO
ENCOURAGE A COMPREHENSIVE FUNDRAISING PROGRAM TO MAXIMIZE PHILANTHROP C
SUPPORT FOR THE HOSPITAL. THE FOUNDATION OPERATIONS PROVIDES SERVICES FOR
GRANT WRITING, SOLICITATION, RECEIPTING, RECORDING, AND MANAGING OF ALL
PHILANTHROPIC CONTRIBUTIONS MADE TO AND FOR THE BENEFIT OF THE HOSPITAL.

Schedule H (Form 990)

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SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION, INC. 7272 GREENVILLE AVE DALLAS, TX 75231	13-5613797	501(C)(3)	35,000.	0.			SPONSORSHIP
ARTS IN STARK 900 CLEVELAND AVE NW CANTON, OH 44702	34-6609771	501(C)(3)	6,500.	0.			COMMUNITY SUPPORT
CANTON REGIONAL CHAMBER OF COMMERCE - 222 MARKET AVE N - CANTON, OH 44702	34-0129930	501(C)(6)	9,000.	0.			SPONSORSHIP
UNITED WAY OF GREATER STARK COUNTY 401 MARKET AVE N, SUITE 300 CANTON, OH 44702	13-4254191	501(C)(3)	50,000.	0.			COMMUNITY SUPPORT
CANTON REPOSITORY 500 MARKET STREET CANTON, OH 44702	31-1714372	C CORP	9,000.	0.			SPONSORSHIP

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

3 Enter total number of other organizations listed in the line 1 table ▶ 2.

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

Schedule I (Form 990) 2020

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Schedule I (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page 2

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 1, LINE 2:

CLEVELAND CLINIC MERCY HOSPITAL DOES NOT AWARD GRANT FUNDING. IT DOES

PROVIDE SUPPORT FOR LOCAL ORGANIZATIONS AS PART OF ITS COMMUNITY

RELATIONS. IF SPONSORSHIPS ARE FOR NATIONAL ORGANIZATIONS, THEY MUST BE

CENTERED ON A LOCAL OR REGIONAL EVENT.

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SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

- For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

Part I Questions Regarding Compensation

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

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

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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

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

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

a Receive a severance payment or change-of-control payment?

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

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

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Schedule J (Form 990) 2020

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Schedule J (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page **2**

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) THOMAS J. STRAUSS PRESIDENT & CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	1,009,207.	0.	22,948.	48,192.	19,750.	1,100,097.	0.
(2) AHMED EL GHAMRY SABE EXEC DIR CARDIOLOGY	(i)	508,675.	308,272.	22,948.	30,902.	37,892.	908,689.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) MELISSA ROGERS TRUSTEE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	456,494.	0.	2,430.	48,192.	25,900.	533,016.	0.
(4) DAVID STEWART SENIOR VP & CFO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	356,523.	0.	3,336.	28,692.	15,600.	404,151.	0.
(5) JEFFREY MAENDEL PHYSICIAN	(i)	248,742.	20,000.	88,514.	16,049.	12,980.	386,285.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) DAVID GORMSEN CHIEF MEDICAL OFFICER	(i)	305,062.	0.	2,121.	28,740.	24,502.	360,425.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) HEE YOON PHYSICIAN	(i)	269,018.	22,207.	201.	12,255.	26,958.	330,639.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) BARBARA YINGLING VP & CNO	(i)	268,480.	0.	997.	27,864.	16,306.	313,647.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) ANDREW WOJTKOWSKI DIRECTOR DENTAL SERVICES	(i)	264,121.	0.	3,876.	22,747.	17,053.	307,797.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) THOMAS TURNER VP FUND DEV & GOVT RELATIONS	(i)	226,961.	0.	2,751.	19,012.	26,045.	274,769.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) JEFFREY PIKE VP PHYSICIAN REL & BUS DEV	(i)	214,383.	0.	4,066.	12,224.	33,987.	264,660.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) JUSTIN MODUGNO DENTIST	(i)	191,710.	4,381.	504.	13,056.	24,072.	233,723.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) SHARON STERN PHYSICIAN	(i)	202,490.	0.	4,114.	11,391.	10,620.	228,615.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) CINDY HICKEY VP PUBLIC RELATIONS & MKTG	(i)	140,428.	0.	3,195.	12,358.	21,070.	177,051.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Schedule J (Form 990) 2020

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Schedule J (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page 3

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 3:

THE REVIEW AND APPROVAL OF EXECUTIVE COMPENSATION IS THE RESPONSIBILITY OF
THE BOARD AND IS SUBJECT TO REVIEW BY THE MEMBER SISTERS OF CHARITY HEALTH
SYSTEM. THE BOARD USES REPORTS FROM INDEPENDENT COMPENSATION CONSULTANTS,
SURVEYORS OR STUDIES TO ASSIST IN THE REVIEW. IN MOST CASES, THESE REPORTS
ARE OBTAINED FROM THE SAME SOURCES USED BY THE MEMBER.

PART I, LINE 4B:

SUPPLEMENTAL EXECUTIVE RETIREMENT PAYMENTS (SERP) WERE MADE BY THE RELATED
ORGANIZATION TO MELISSA ROGERS (\$19,500) AND THOMAS STRAUSS (\$19,500).

THERE IS ALSO A 457(F) PLAN. DAVID GORMSEN AND AHMED EL GHAMRY SABE
PARTICIPATED IN 2020. EACH ONE INDIVIDUALLY CONTRIBUTED \$19,500 INTO THE
PLAN.

PART I, LINE 7:

CERTAIN PHYSICIAN AGREEMENTS CONTAIN LANGUAGE THAT ALLOW FOR ADDITIONAL
COMPENSATION OUTSIDE THEIR BASE COMPENSATION.

Schedule J (Form 990) 2020

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Schedule J (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page 3

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.

SUPPLEMENTAL INSURANCE POLICIES WERE PAID FOR CERTAIN EXECUTIVE OFFICERS.

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SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
CLEVELAND-CUYAHOGA A COUNTY PORT AUTHORITY	34-1029691	NONEAVAIL	05/18/16	35000000.	REFINANCING SERIES 2000 BONDS		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	35,000,000.							
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds								
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds	35,000,000.							
12 Other unspent proceeds								
13 Year of substantial completion	2016							
	Yes	No	Yes	No	Yes	No	Yes	No
14 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							
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X						
16 Has the final allocation of proceeds been made?	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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Schedule K (Form 990) 2020

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Schedule K (Form 990) 2020

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Page 2

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? ...								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	4.27	%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00	%		%		%		%
6 Total of lines 4 and 5	4.27	%		%		%		%
7 Does the bond issue meet the private security or payment test?		X						
8a 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						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV Arbitrage

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

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Part IV Arbitrage (continued)

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

Part V Procedures To Undertake Corrective Action

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

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

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

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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 for the latest information.

OMB No. 1545-0047

2020

Open to Public
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Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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

ON FEBRUARY 1, 2021, THE CLEVELAND CLINIC FOUNDATION BECAME THE SOLE
MEMBER OF MERCY MEDICAL CENTER, INC. PURSUANT TO THE TERMS OF A MEMBER
SUBSTITUTION AGREEMENT WITH THE SISTERS OF CHARITY OF ST. AUGUSTINE
HEALTH SYSTEM, THE PRIOR SOLE MEMBER OF MERCY MEDICAL CENTER, INC.

ON FEBRUARY 1, 2021, MERCY MEDICAL CENTER, INC. CHANGED ITS NAME TO
CLEVELAND CLINIC MERCY HOSPITAL.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CLEVELAND CLINIC MERCY HOSPITAL WAS AWARDED AN 'A' FROM THE LEAPFROG
GROUP'S FALL 2020 HOSPITAL SAFETY GRADE. THE DESIGNATION RECOGNIZED
MERCY MEDICAL CENTER'S EFFORTS IN PROTECTING PATIENTS FROM HARM AND
MEETING THE HIGHEST SAFETY STANDARDS IN THE UNITED STATES. THE LEAPFROG
GROUP IS A NATIONAL ORGANIZATION COMMITTED TO IMPROVING HEALTH CARE
QUALITY AND SAFETY FOR CONSUMERS AND PURCHASERS. THE SAFETY GRADE
ASSIGNS AN A, B, C, D OR F GRADE TO HOSPITALS ACROSS THE COUNTRY BASED
ON THEIR PERFORMANCE IN PREVENTING MEDICAL ERRORS, INFECTIONS AND OTHER
HARMS AMONG PATIENTS IN THEIR CARE.

CLEVELAND CLINIC MERCY HOSPITAL HAS RECEIVED THE MISSION: LIFELINE GOLD
RECEIVING QUALITY ACHIEVEMENT AWARD FOR IMPLEMENTING SPECIFIC QUALITY
IMPROVEMENT MEASURES OUTLINED BY THE AMERICAN HEART ASSOCIATION FOR THE
TREATMENT OF PATIENTS WHO SUFFER SEVERE HEART ATTACKS.

CLEVELAND CLINIC MERCY HOSPITAL RECEIVED THE AMERICAN HEART

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Schedule O (Form 990 or 990-EZ) 2020

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Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

ASSOCIATION/AMERICAN STROKE ASSOCIATION'S GET WITH THE GUIDELINES GOLD PLUS QUALITY ACHIEVEMENT AWARD. THE AWARD RECOGNIZED THE HOSPITAL'S COMMITMENT TO ENSURING STROKE PATIENTS RECEIVE THE MOST APPROPRIATE TREATMENT ACCORDING TO NATIONALLY RECOGNIZED, RESEARCH-BASED GUIDELINES BASED ON THE LATEST SCIENTIFIC EVIDENCE.

CLEVELAND CLINIC MERCY HOSPITAL RECEIVED THE AMERICAN HEART ASSOCIATION/AMERICAN STROKE ASSOCIATION'S (AHA/ASA)GET WITH THE GUIDELINES HEART FAILURE GOLD PLUS ACHIEVEMENT AWARD. MERCY ALSO QUALIFIED TO BE RECOGNIZED AS A RECIPIENT OF THE AHA/ASA'S TARGET: HEART FAILURE HONOR ROLL WITH TARGET: TYPE 2 DIABETES HONOR ROLL AWARD.

THE HEALTHY BUSINESS COUNCIL OF OHIO (HBCO) RECOGNIZED CLEVELAND CLINIC MERCY HOSPITAL WITH THE 2019 HEALTHY WORKSITE GOLD LEVEL AWARD DURING THE 16TH ANNUAL HEALTHY WORKSITE AWARDS PRESENTATION ON JANUARY 23, 2020, AT THE NATIONWIDE HOTEL AND CONFERENCE CENTER IN COLUMBUS, OHIO. MERCY WAS AMONG 34 OHIO LARGE EMPLOYERS (1,001 OR MORE EMPLOYEES) RECOGNIZED WITH THE GOLD LEVEL AWARD FOR DEMONSTRATING A COMMITMENT TO EMPLOYEE WELLNESS THROUGH COMPREHENSIVE WORKSITE HEALTH PROMOTION AND WELLNESS PROGRAMS. APPLICANTS WERE SCORED ON THE EXTENT THEIR WELLNESS PROGRAMS FACILITATE AND ENCOURAGE EMPLOYEE HEALTH, ENHANCE PRODUCTIVITY AND ENSURE A HEALTHY WORK ENVIRONMENT.

THE AMERICAN COLLEGE OF CARDIOLOGY (ACC) RECOGNIZED CLEVELAND CLINIC MERCY HOSPITAL FOR ITS DEMONSTRATED EXPERTISE AND COMMITMENT IN TREATING PATIENTS WITH HEART FAILURE. MERCY WAS AWARDED HEART FAILURE ACCREDITATION IN APRIL BASED ON A RIGOROUS REVIEW OF THE STAFF'S ABILITY TO EVALUATE, DIAGNOSE AND TREAT PATIENTS WITH HEART FAILURE

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page **2**

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

THROUGH PRE-HOSPITAL CARE, EARLY STABILIZATION, ACUTE CARE, TRANSITIONAL CARE, CLINICAL QUALITY MEASURE AND MORE. HOSPITALS THAT EMPLOY AN EVIDENCE-BASED, PROTOCOL-DRIVEN AND SYSTEMATIC APPROACH TO MANAGING HEART FAILURE HAVE BEEN ABLE TO REDUCE TIME TO TREATMENT, AND ARE ABLE TO IDENTIFY AND PREDICT HIGH-RISK PATIENTS WHILE ALSO REDUCING LENGTH-OF-STAY AND HOSPITAL READMISSIONS.

MERCY SLEEP LABS AT THE MAIN HOSPITAL AND JACKSON ACHIEVED ACCREDITATION RENEWAL FOR FIVE YEARS FROM THE AMERICAN ACADEMY OF SLEEP MEDICINE. SINCE 1977, THE AMERICAN ACADEMY OF SLEEP MEDICINE (AASM) STANDARDS FOR ACCREDITATION HAVE BEEN THE "GOLD STANDARD" BY WHICH THE MEDICAL COMMUNITY AND THE PUBLIC EVALUATE SLEEP MEDICINE FACILITIES. BY ACHIEVING ACCREDITATION, A SLEEP CENTER DEMONSTRATES A COMMITMENT TO PROVIDING QUALITY DIAGNOSTIC SERVICES AND MANAGEMENT OF SLEEP PATIENTS.

MERCY SLEEP CENTER ACHIEVED REACCREDITATION AS AN A-STEP INTRODUCTORY COURSE PROVIDER FOR A PERIOD OF TWO YEARS BY THE AMERICAN ACADEMY OF SLEEP MEDICINE (AASM). BY SUCCESSFULLY COMPLETING THE REACCREDITATION PROCESS AND UPHOLDING THE A-STEP STANDARDS FOR ACCREDITATION, MERCY HAS SHOWN ITS DEDICATION TO THE ADVANCEMENT OF EDUCATION FOR SLEEP TECHNOLOGISTS.

MERCY MEDICAL CENTER EARNED THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S (EPA) ENERGY STAR CERTIFICATION FOR SUPERIOR ENERGY PERFORMANCE. THIS IS THE 12TH YEAR IN A ROW THAT MERCY HAS EARNED THE ENERGY STAR, REFLECTING A LEGACY OF CONTINUED ENERGY SAVINGS. ENERGY STAR CERTIFIED BUILDINGS AND PLANTS ARE VERIFIED TO PERFORM IN THE TOP 25 PERCENT OF BUILDINGS NATIONWIDE, BASED ON WEATHER-NORMALIZED SOURCE ENERGY USE

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

THAT TAKES INTO ACCOUNT OCCUPANCY, HOURS OF OPERATION, AND OTHER KEY METRICS.

MERCY PRIMARY CARE LAKE COMPLETED A SUCCESSFUL AUDIT FROM THE STATE FOR COMPREHENSIVE PRIMARY CARE (CPC) DESIGNATION REPRESENTING ALL OF PROCORP. THE AUDITING TEAM WAS VERY IMPRESSED WITH NOT ONLY THE PREPARATION BUT ALSO THE KNOWLEDGE THE QUALITY TEAM AND LAKE TEAM PRESENTED. THE AUDITORS WERE APPRECIATIVE OF THE CARE AND FOLLOW-THROUGH PROCORP PROVIDES TO ITS MEMBERS.

NOTABLE ACHIEVEMENTS:

NEW MUSCULOSKELETAL CENTER OPENS

MERCY MUSCULOSKELETAL CENTER OPENED IN 2020. THE CENTER WILL TREAT CONDITIONS SUCH AS PAIN IN THE KNEE, ANKLE OR SHOULDER, AS WELL AS OTHER INJURIES TO THE MUSCLES, TENDONS, LIGAMENTS, BONES, NECK AND BACK. NEXT DAY APPOINTMENTS ARE AVAILABLE.

MERCY MEDICAL CENTER WAS THE FIRST IN OHIO TO OFFER AQUABLATION THERAPY FOR BPH, A MINIMALLY INVASIVE SURGICAL PROCEDURE TO TREAT NON-CANCEROUS ENLARGED PROSTATE. THE BENEFITS INCLUDE SIGNIFICANT REDUCTION IN BPH SYMPTOMS WITH REDUCED SIDE EFFECTS WHEN COMPARED TO TRADITIONAL SURGERY.

FORM 990, PART VI, SECTION A, LINE 6:

THE SISTERS OF CHARITY HEALTH SYSTEM IS THE SOLE MEMBER.

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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

UNDER THE ORGANIZATION DOCUMENTS, SISTERS OF CHARITY HEALTH SYSTEM'S BOARD OF DIRECTORS APPOINTS ALL MEMBERS OF THE BOARD OF DIRECTORS.

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

CERTAIN DECISIONS OF THE GOVERNING BODY MUST BE APPROVED BY THE SISTERS OF CHARITY OF ST. AUGUSTINE HEALTH SYSTEM, INC. EXAMPLES OF SOME OF THESE DECISIONS WOULD BE APPROVALS OF ANNUAL BUDGET, PURCHASE OF LAND, UNBUDGETED CAPITAL OVER A CERTAIN THRESHOLD AND LONG TERM LEASES.

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

THE FORM 990 IS REVIEWED BY EXPERIENCED AND QUALIFIED MEMBERS OF THE FINANCE DIVISION TAX DEPARTMENT AS WELL AS THE CHIEF FINANCIAL OFFICER (CFO). THE RETURN IS THEN SENT TO A PAID PREPARER WHO CONDUCTS AN IN DEPTH REVIEW OF THE RETURN. IN ADDITION, THE ENTIRE RETURN IS ALSO REVIEWED BY THE MEMBERS OF THE BOARD OF TRUSTEES. THE RETURN IS MADE AVAILABLE THROUGH A WEB PORTAL THAT THEY CAN ACCESS BEFORE IT IS FILED WITH THE IRS. ANY QUESTIONS OR CONCERNS THAT THEY WOULD HAVE ARE SENT TO EITHER THE PRESIDENT OR CFO OF THE HOSPITAL.

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

THE HOSPITAL HAS COMPLIANCE POLICIES AND PROCEDURES THAT ESTABLISH BRIGHT-LINE RULES TO HELP EMPLOYEES CARRY OUT THEIR JOB FUNCTIONS IN A MANNER THAT ENSURES COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS AND FURTHERS THE HOSPITAL'S MISSION. WRITTEN COMPLIANCE POLICIES AND PROCEDURES HAVE BEEN IMPLEMENTED THROUGHOUT THE HOSPITAL, INCLUDING LEGAL, BILLING, CLINICAL AREAS, FINANCE, ETC. THERE ARE ROUTINE AUDITS TO VALIDATE THE EFFECTIVENESS OF THESE INTERNAL POLICIES.

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

OUR ADMINISTRATIVE DIRECTOR OF LABORATORIES IS OUR CHIEF COMPLIANCE OFFICER. IT IS HER RESPONSIBILITY TO MONITOR OUR COMPLIANCE PROGRAM. SHE REPORTS DIRECTLY TO THE AUDIT AND COMPLIANCE COMMITTEE WHO REPORTS TO THE BOARD. TWO COMPLIANCE COMMITTEES (OPERATIONS & ADMINISTRATION) SUPPORT THIS POSITION.

A COMPLETE SET OF OUR COMPLIANCE POLICIES CAN BE FOUND ON THE HOSPITAL'S INTRANET WHICH IS AVAILABLE TO ALL EMPLOYEES. YEARLY TRAINING IS DONE FOR ALL EMPLOYEES AND QUARTERLY UPDATES ARE GIVEN TO THE BOARD THROUGH THE BOARD'S JOINT AUDIT & COMPLIANCE COMMITTEE. HANDBOOKS WERE DEVELOPED TO AID IN THE COMMUNICATION AND UNDERSTANDING OF OUR COMPLIANCE POLICIES.

THE HOSPITAL SET UP EFFECTIVE LINES OF COMMUNICATION TO REPORT A SUSPECTED COMPLIANCE VIOLATION. THE HOTLINE RECEIVES COMPLAINTS AND CONCERNS WHILE PROTECTING WHISTLEBLOWERS FROM RETALIATION. THE HOTLINE NUMBER IS POSTED AT ALL TIME CLOCKS AND IN THE MONTHLY EMPLOYEE NEWSLETTER.

A SYSTEM-WIDE STANDARDIZED "CODE OF CONDUCT AND ETHICAL BEHAVIOR" BOOKLET IS AVAILABLE FOR ALL SYSTEM HOSPITALS. THIS BOOKET IS REVIEWED AND REVISED BY THE SISTERS OF CHARITY HEALTH SYSTEM. THIS BOOKET IS AVAILABLE TO ALL EMPLOYEES THROUGH THE INTRANET AT EACH FACILITY.

EDUCATION IS ALSO PROVIDED TO THE BOARD OF TRUSTEES BY OUR IN-HOUSE LEGAL COUNSEL. AS PART OF THIS TRAINING, EACH BOARD MEMBER RECEIVED A COPY OF THE REVISED CODE OF CONDUCT AND ETHICAL BEHAVIOR BOOKLET THAT IS HANDED OUT TO OUR EMPLOYEES. YEARLY, THE MEMBERS COMPLETE CONFLICT AND DISCLOSURE STATEMENTS THAT ARE REVIEWED BY OUR LEGAL DEPARTMENT.

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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

THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS SERVES AS THE EXECUTIVE
COMPENSATION COMMITTEE. IT IS THEIR RESPONSIBILITY TO REVIEW THE
COMPENSATION AND BENEFITS FOR THE CEO AND ALL VICE PRESIDENTS.

THE RECOMMENDATIONS FOR SALARY CHANGES ARE BASED ON THE ANNUAL PERFORMANCE
EVALUATIONS OF EACH EXECUTIVE. THIS REVIEW IS DONE YEARLY. BONUS
CONSIDERATIONS REFLECT INDIVIDUAL PERFORMANCE ON THE JOB AS WELL AS HOW THE
HOSPITAL DID IN MEETING QUALITY, MISSION AND FINANCIAL GOALS.

ALL SALARY RANGES AND BENEFITS FOR OFFICERS ARE EVALUATED ANNUALLY BY MERCER
CONSULTING AND ANY CHANGES ARE SUBJECT TO BOARD REVIEW AND APPROVAL.

THE COMMITTEE DETERMINES WHETHER IT WISHES TO ACCEPT THE CEO'S
RECOMMENDATIONS OR OFFER ITS OWN SUGGESTIONS REGARDING THE POSITIONS THAT
REPORT TO HIM. THE COMMITTEE VOTES TO APPROVE ANY CHANGES WHICH ARE THEN
IMPLEMENTED BY THE HOSPITAL. THAT SAME COMMITTEE ALSO DETERMINES THE CEO'S
COMPENSATION AND BONUS. THEY MEET WITH THE CEO TO REVIEW HIS PERFORMANCE
ON AN ANNUAL BASIS. THEY THEN MEET WITHOUT THE CEO PRESENT TO FURTHER
DISCUSS AND OPENLY CRITIQUE HIS PERFORMANCE. IT IS DURING THEIR EXECUTIVE
SESSIONS THAT THEY DETERMINE WHETHER ANY ADJUSTMENT IN COMPENSATION WILL BE
MADE THAT YEAR AND ALSO DETERMINES THE AWARDED OF ANY BONUS. IN THE
EVALUATION OF THE CEO, THE COMMITTEE USES THE SAME INDEPENDENT AGENCY,
MERCER CONSULTING, TO EVALUATE THE CEO'S TOTAL COMPENSATION RANGE AS WELL
AS ALL BENEFITS.

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

FORM 990, PART VI, SECTION C, LINE 18:

FORM 990, 990-T, AND FORM 1023 ARE AVAILABLE UPON REQUEST.

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

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

FORM 990, PART VIII, LINE 1E

ENACTED ON MARCH 27, 2020 BY THE FEDERAL GOVERNMENT, THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT WAS ESTABLISHED, WHICH AUTHORIZES \$100 BILLION TO BE ADMINISTERED THROUGH GRANTS AND OTHER MECHANISMS TO HOSPITALS, PUBLIC ENTITIES, NOT-FOR-PROFIT ENTITIES, AND MEDICARE- AND MEDICAID ENROLLED SUPPLIERS AND INSTITUTIONAL PROVIDERS. THE PURPOSE OF THESE FUNDS IS TO REIMBURSE PROVIDERS FOR LOST REVENUE ATTRIBUTABLE TO THE CORONAVIRUS PANDEMIC, SUCH AS FORGONE REVENUE FROM CANCELED PROCEDURES, AND TO PROVIDE SUPPORT FOR RELATED HEALTH CARE EXPENSES, SUCH AS CONSTRUCTING TEMPORARY STRUCTURES OR EMERGENCY OPERATION CENTERS; RETROFITTING FACILITIES; PURCHASING MEDICAL SUPPLIES AND EQUIPMENT, INCLUDING PERSONAL PROTECTIVE EQUIPMENT AND TESTING SUPPLIES; AND INCREASING WORKFORCE. FURTHER, THESE RELIEF FUNDS ENSURE UNINSURED PATIENTS ARE RECEIVING TESTING AND TREATMENT FOR COVID-19.

THE HOSPITAL RECEIVED \$18,973,403 OF PAYMENTS AS PART OF GENERAL AND TARGETED DISTRIBUTIONS OF THE CARES ACT PROVIDER RELIEF FUND. AS OF DECEMBER 31, 2020, THE HOSPITAL HAS RECOGNIZED \$18,973,403 AS GRANT REVENUE ON THE CONSOLIDATED STATEMENT OF OPERATIONS. THE HOSPITAL HAS ASSERTED THAT IT HAS MET THE CONDITIONS AND RESTRICTIONS OUTLINED WITHIN THE HHS' PUBLISHED TERMS AND CONDITIONS FOR THE CARES ACT AS OF

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page 2

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

DECEMBER 31, 2020. IN JANUARY 2021, THE HOSPITAL RECEIVED AN ADDITIONAL \$11,797,747 FROM THE PROVIDER RELIEF FUND, WHICH IS NOT RECORDED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS DUE TO THE TIMING OF THE AWARD. FOR PROVIDER RELIEF FUND DISTRIBUTIONS THAT ARE NOT SUPPORTED BY 2020 EXPENSES AND LOST REVENUE, THE HOSPITAL HAS AN ADDITIONAL SIX MONTHS FROM JANUARY 1, 2021 TO JUNE 30, 2021 IN WHICH TO USE AMOUNTS REMAINING TOWARD EXPENSES ATTRIBUTABLE TO COVID-19 BUT NOT REIMBURSED BY OTHER SOURCES AND/OR LOST PATIENT CARE REVENUE. HHS IS ENTITLED TO RECOUP PROVIDER RELIEF FUNDS THAT ARE UNUSED AS FOR THE PURPOSES DISCLOSED ABOVE.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CASH TRANSFER TO MERCY PROFESSIONAL CARE CORP	-10,215,455.
CASH TRANSFER FROM MERCY DEVELOPMENT FOUNDATION	191,314.
DONATED CAPITAL	165,420.
CHANGE IN RESTRICTED FUNDS	13,173.
DISTRIBUTIONS FROM MERCY MEDICAL CENTER HOME HEALTH & HOSPICE LLC	282,600.
RECLASS LONG TERM LOAN FROM MERCY PROFESSIONAL CARE CORPORATION	10,822,799.
TOTAL TO FORM 990, PART XI, LINE 9	1,259,851.

FORM 990, PART XII, LINE 2C:

THE ORGANIZATION HAS AN AUDIT COMMITTEE THAT HAS BEEN CHARGED WITH OVERSIGHT OF THE AUDIT AND SELECTION OF THE INDEPENDENT ACCOUNTING FIRM. THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

FORM 990, PART XII, LINE 3B:

PUBLIC INSPECTION COPY

Schedule O (Form 990 or 990-EZ) 2020

Page **2**

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

THE REQUIRED SINGLE AUDIT AS SET FORTH IN THE SINGLE AUDIT ACT AND OMB

CIRCULAR A-133 HAS NOT BEEN COMPLETED YET FOR THE CALENDAR YEAR END

12/31/2020, BUT PLANS TO BE COMPLETED BY THE EXTENDED DUE DATE AS

ESTABLISHED IN THE RELEVANT OMB GUIDANCE.

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

CLEVELAND CLINIC MERCY HOSPITAL

Employer identification number

34-1893439

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

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
SISTERS OF CHARITY OF ST. AUGUSTINE HEALTH SYSTEM, INC. (SCHS) - 34-1379356, 2475 EAST 22ND STREET, CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I			X
SISTERS OF CHARITY OF ST. AUGUSTINE/ROMAN CATHOLIC CHURCH - 34-0714763, 5232 BROADVIEW ROAD, RICHFIELD, OH 44286	RELIGIOUS ORDER OF WOMEN	OHIO	501(C)(3)	LINE 1			X
SCPH LEGACY CORP (PHLC) - 57-0314409 2475 EAST 22ND STREET CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	SCHS	X	
REGINA HEALTH CENTER - 34-1722394 5232 BROADVIEW ROAD RICHFIELD, OH 44286	RETIREMENT COMMUNITY	OHIO	501(C)(3)	LINE 10	SCHS	X	

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

Schedule R (Form 990) 2020

PUBLIC INSPECTION COPY

Schedule R (Form 990)

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Part II Continuation of Identification of Related Tax-Exempt Organizations

(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 organization?	
						Yes	No
ST. VINCENT CHARITY MEDICAL CENTER (SVMC) - 34-0714756, 2351 EAST 22ND STREET, CLEVELAND, OH 44115	HOSPITAL	OHIO	501(C)(3)	LINE 3	SCHS	X	
ST. VINCENT CHARITY DEVELOPMENT FOUNDATION - 27-1602445, 2351 EAST 22ND STREET, CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	SVMC	X	
MERCY DEVELOPMENT FOUNDATION - 35-2408321 1320 MERCY DRIVE NW CANTON, OH 44708	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	MERCY MEDICAL CENTER	X	
ST. JOHN HOSPITAL - 34-0714504 2475 EAST 22ND STREET CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	SCHS	X	
HEALTHY LEARNERS - 57-1127197 2749 LAUREL STREET COLUMBIA, SC 29204	CHARITABLE ORGANIZATION	SOUTH CAROLINA	501(C)(3)	LINE 10	SCHS	X	
JOSEPH'S HOME - 34-0901676 2412 COMMUNITY COLLEGE AVE CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 10	SCHS	X	
SISTERS OF CHARITY FOUNDATION OF CLEVELAND - 34-1832698, 2475 EAST 22ND STREET 4TH FLOOR, CLEVELAND, OH 44115	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	SCHS	X	
SISTERS OF CHARITY FOUNDATION OF CANTON - 34-1832697, 400 MARKET AVE N, SUITE 300, CANTON, OH 44702	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 12A, I	SCHS	X	
EARLY CHILDHOOD RESOURCE CENTER - 34-0714462 1718 CLEVELAND AVE NE CANTON, OH 44703	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 7	SISTERS OF CHARITY FND OF CANTON	X	
SISTERS OF CHARITY FOUNDATION OF SC - 57-0708391, 2711 MIDDLEBURG DR, SUITE 115, COLUMBIA, SC 29204	CHARITABLE ORGANIZATION	SOUTH CAROLINA	501(C)(3)	LINE 12A, I	SCHS	X	
SOUTH CAROLINA CENTER FOR FATHERS AND FAMILIES - 36-4506347, 2711 MIDDLEBURG DR, SUITE 111, COLUMBIA, SC 29204	CHARITABLE ORGANIZATION	SOUTH CAROLINA	501(C)(3)	LINE 7	SISTERS OF CHARITY FDN OF SC	X	
LIGHT OF HEARTS VILLA - 36-1619270 283 UNION STREET BEDFORD, OH 44146	CHARITABLE ORGANIZATION	OHIO	501(C)(3)	LINE 10	SCHS	X	

PUBLIC INSPECTION COPY

Schedule R (Form 990) 2020 **CLEVELAND CLINIC MERCY HOSPITAL**

34-1893439 Page 2

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MERCY MEDICAL CENTER HOME HEALTH & HOSPICE LLC - 81-0687167, 4369 WHIPPLE AVE NW, CANTON, OH 44178	MEDICAL SERVICES	OH	MERCY MEDICAL CENTER INC	RELATED	1,438,770.	3,981,048.		X	N/A		X	60.00%

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
MERCY PROFESSIONAL CARE CORPORATION - 34-1873008, 1320 MERCY DRIVE NW, CANTON, OH 44708	MEDICAL SERVICES	OH	MERCY MEDICAL CENTER	C CORP	-12,054,783.	5,748,827.	100%	X	
SCHS INSURANCE CO LTD - 98-0679825 62 FORUM LANE 3RD FLOOR , CAYMAN ISLANDS, CAYMAN ISLANDS	INSURANCE	CAYMAN ISLANDS	N/A	C CORP	N/A	N/A	N/A	X	
ST. VINCENT MEDICAL GROUP - 34-1634990 2475 EAST 22ND STREET CLEVELAND , OH 44115	MEDICAL SERVICES	OH	N/A	C CORP	N/A	N/A	N/A	X	

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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.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)	X	
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MERCY PROFESSIONAL CARE CORPORATION MERCY MEDICAL CENTER HOME HEALTH AND	R	10,215,455.	
(2) HOSPICE, LLC	C	282,600.	
(3) MERCY PROFESSIONAL CARE CORPORATION	J	198,944.	
(4) MERCY DEVELOPMENT FOUNDATION	C	191,314.	
(5) MERCY DEVELOPMENT FOUNDATION	O	112,967.	
(6)			

Schedule R (Form 990) 2020

34-1893439 Page 5

PUBLIC INSPECTION COPY

Form **8453-EO**

Exempt Organization Declaration and Signature for Electronic Filing

OMB No. 1545-0047

For calendar year 2020, or tax year beginning _____, 2020, and ending _____, 20 _____

For use with Forms 990, 990-EZ, 990-PF, 990-T, 1120-POL, 4720, and 8868

Go to www.irs.gov/Form8453EO for the latest information.

2020

Department of the Treasury
Internal Revenue Service

Name of exempt organization or person subject to tax

Taxpayer identification number

CLEVELAND CLINIC MERCY HOSPITAL

34-1893439

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, or 7a below, and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, or 7b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b 331,123,927.
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b
5a Form 8868 check here <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b
6a Form 990-T check here <input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b
7a Form 4720 check here <input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b

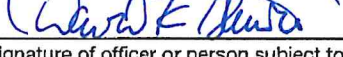
Part II Declaration of Officer or Person Subject to Tax

8 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that ☒ I am an officer of the above named organization or ☐ I am the person subject to tax with respect to (name of organization) _____, (EIN) _____,

and that I have examined a copy of the 2020 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here  Date **11/12/21** Title, if applicable **SR VP/COO/CFO**


Signature of officer or person subject to tax

Date

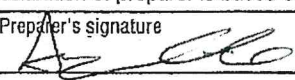
Title, if applicable

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer or person subject to tax will have signed this form before I submit the return. I will give a copy of all forms and information to be filed with the IRS to the officer or person subject to tax, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature 	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code				EIN
					Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature 	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Amy Ciminello		11-12-21		P00796388
	Firm's name	Firm's EIN			
	PLANTE & MORAN, PLLC	38-1357951			
	Firm's address	Phone no.			
	250 SOUTH HIGH STREET, SUITE 100	(614) 849-3000			
	COLUMBUS, OH 43215				

Mercy Medical Center, Inc.

Consolidated Financial Report
December 31, 2020

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Mercy Medical Center, Inc.

Contents

Independent Auditor's Report	1-2
Consolidated Financial Statements	
Balance Sheet	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-25



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plantemoran.com

Independent Auditor's Report

To the Board of Directors
Mercy Medical Center, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mercy Medical Center, Inc. and its subsidiaries (the "System"), which comprise the consolidated balance sheet as of December 31, 2020 and 2019 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the System's investments in Sisters of Charity of St. in the Augustine Health System Master Trust as of and for the year ended December 31, 2020. Total investments in the Sisters of Charity of St. Augustine Health System Master Trust were \$45,049 at December 31, 2020. Net realized and unrealized losses and investment income in the Sisters of Charity of St. Augustine Health System Master Trust were \$(157) and \$191, respectively, for the year ended December 31, 2020. Those investments were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the investments in Sisters of Charity of St. Augustine Health Systems Master Trust, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable of financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The consolidated financial statements for the year ended December 31, 2019 were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mercy Medical Center, Inc. and its subsidiaries as of December 31, 2020 and 2019 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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To the Board of Directors
Mercy Medical Center, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2021 on our consideration of Mercy Medical Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mercy Medical Center, Inc.'s internal control over financial reporting and compliance.

Plante & Moreau, PLLC

April 12, 2021

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Mercy Medical Center, Inc.

Consolidated Balance Sheet

December 31, 2020 and 2019

(In Thousands)

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 30,574	\$ 13,419
Restricted cash and cash equivalents	1,802	1,356
Short-term investments (Note 5)	43,961	22,954
Patient accounts receivable (Note 4)	36,818	45,097
Prepaid expenses and other	3,126	2,928
Inventory	4,734	4,445
Other receivables - Net	3,765	3,057
Total current assets	124,780	93,256
Assets Limited as to Use (Note 5)	1,088	1,026
Property and Equipment - Net (Note 7)	78,517	83,317
Other Assets	723	1,431
Total assets	<u>\$ 205,108</u>	<u>\$ 179,030</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 19,946	\$ 19,700
Current portion of bonds and notes payable (Note 8)	48,273	3,192
Current portion of capital lease obligations (Note 10)	294	299
Estimated third-party payor settlements	103	633
Accrued liabilities and other:		
Accrued salaries and related liabilities	13,939	15,637
Accrued interest	90	144
Medicare accelerated payments (Note 17)	33,201	-
Other accrued liabilities	9,383	9,630
Total current liabilities	125,229	49,235
Long-term Debt		
Bonds and notes payable - Net of current portion (Note 8)	-	48,247
Capital lease obligation - Net of current portion (Note 10)	12,171	12,446
Total long-term debt	12,171	60,693
Other Liabilities		
Deferred Social Security taxes - Net of current portion (Note 17)	2,760	-
Professional liability reserve (Note 12)	3,005	2,682
Total liabilities	143,165	112,610
Net Assets		
Without donor restrictions:		
Controlling interest	58,233	63,979
Noncontrolling interest	1,477	732
With donor restrictions	2,233	1,709
Total net assets	61,943	66,420
Total liabilities and net assets	<u>\$ 205,108</u>	<u>\$ 179,030</u>

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Mercy Medical Center, Inc.

Consolidated Statement of Operations

Years Ended December 31, 2020 and 2019

(In Thousands)

	2020	2019
Unrestricted Revenue, Gains, and Other Support		
Net patient service revenue (Note 14)	\$ 320,543	\$ 351,207
Other operating revenue	10,348	11,177
Grant revenue (Note 17)	23,241	-
Net assets released from restrictions	123	128
Total unrestricted revenue, gains, and other support	354,255	362,512
Expenses		
Salaries, wages, and benefits	181,868	185,580
Professional services and consultant fees	161,885	164,156
Depreciation and amortization (Note 7)	12,962	13,333
Interest expense	2,743	3,395
Total expenses (Note 16)	359,458	366,464
Operating Loss	(5,203)	(3,952)
Other Income (Expense)		
Investment income (Note 5)	191	805
Realized (loss) gain on sale of investments (Note 5)	(280)	126
Unrealized gain on investments (Note 5)	123	883
Total other income	34	1,814
Excess of Expenses Over Revenue	(5,169)	(2,138)
Net Assets Released from Restriction for Capital Expenditures	191	239
Net Assets Transferred to Affiliate	-	(3,000)
Distribution to Noncontrolling Interest	(188)	(558)
Capital Grants and Contributions	165	-
Decrease in Net Assets without Donor Restrictions	<u>\$ (5,001)</u>	<u>\$ (5,457)</u>
Amounts Attributable to Controlling and Noncontrolling Interest		
Increase (decrease) in net assets without donor restrictions attributable to:		
Noncontrolling interest	\$ 745	\$ 31
Controlling interest	(5,746)	(5,488)
Decrease in Net Assets without Donor Restrictions	<u>\$ (5,001)</u>	<u>\$ (5,457)</u>

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Mercy Medical Center, Inc.

Consolidated Statement of Changes in Net Assets

Years Ended December 31, 2020 and 2019

(In Thousands)

	Without Donor Restrictions	With Donor Restrictions	Noncontrolling Interest - Without Donor Restrictions	Total
Net Assets - January 1, 2019	\$ 69,467	\$ 1,507	\$ 701	\$ 71,675
Excess of revenue (under) over expenses	(2,727)	-	589	(2,138)
Donor-restricted contributions	-	431	-	431
Restricted investment loss	-	138	-	138
Net assets released from restrictions for operations	-	(128)	-	(128)
Net assets released from restrictions for capital expenditures	239	(239)	-	-
Distributions to noncontrolling interest	-	-	(558)	(558)
Assets transferred to affiliate	(3,000)	-	-	(3,000)
(Decrease) increase in net assets	(5,488)	202	31	(5,255)
Net Assets - December 31, 2019	63,979	1,709	732	66,420
Excess of revenue (under) over expenses	(6,102)	-	933	(5,169)
Donor-restricted contributions	-	840	-	840
Restricted investment income	-	(2)	-	(2)
Net assets released from restrictions for operations	-	(123)	-	(123)
Net assets released from restrictions for capital expenditures	191	(191)	-	-
Distributions to noncontrolling interest	-	-	(188)	(188)
Capital grants and contributions	165	-	-	165
(Decrease) increase in net assets	(5,746)	524	745	(4,477)
Net Assets - December 31, 2020	<u>\$ 58,233</u>	<u>\$ 2,233</u>	<u>\$ 1,477</u>	<u>\$ 61,943</u>

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Mercy Medical Center, Inc.

Consolidated Statement of Cash Flows

Years Ended December 31, 2020 and 2019

(In Thousands)

	2020	2019
Cash Flows from Operating Activities		
Decrease in net assets	\$ (4,477)	\$ (5,255)
Adjustments to reconcile decrease in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization	12,962	13,333
Amortization of debt issuance costs	27	27
Unrealized gain on investments	(123)	(883)
Realized loss (gain) on investments	280	(126)
(Gain) loss on disposal of equipment	(57)	71
Net assets released from restrictions for capital expenditures	(191)	(239)
Changes in operating assets and liabilities that provided (used) cash, cash equivalents, and restricted cash:		
Patient accounts receivable	8,278	(3,409)
Inventory, prepaid expenses, and other	(487)	1,238
Accounts payable	246	1,439
Accrued liabilities and other	760	(325)
Estimated third-party payor settlements	(530)	191
Other liabilities	323	(131)
Medicare accelerated payments	33,201	-
Net cash, cash equivalents, and restricted cash provided by operating activities	50,212	5,931
Cash Flows from Investing Activities		
Purchase of property and equipment	(8,322)	(8,552)
Proceeds from sale of property and equipment	218	234
Decrease in investments - Net	(21,164)	3,389
Increase in assets limited as to use - Net	(62)	(142)
Net cash, cash equivalents, and restricted cash used in investing activities	(29,330)	(5,071)
Cash Flows from Financing Activities		
Principal payments on long-term debt	(3,472)	(3,423)
Net assets released from restrictions for capital expenditures	191	239
Net cash, cash equivalents, and restricted cash used in financing activities	(3,281)	(3,184)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	17,601	(2,324)
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	14,775	17,099
Cash, Cash Equivalents, and Restricted Cash - End of year	<u><u>\$ 32,376</u></u>	<u><u>\$ 14,775</u></u>
Consolidated Balance Sheet Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	\$ 30,574	\$ 13,419
Restricted cash	1,802	1,356
Total cash, cash equivalents, and restricted cash	<u><u>\$ 32,376</u></u>	<u><u>\$ 14,775</u></u>
Supplemental Cash Flow Information - Cash paid for interest	\$ 2,770	\$ 3,370
Significant Noncash Transactions - Equipment obtained via capital lease	\$ -	\$ 1,176

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 1 - Nature of Business

Mercy Medical Center, Inc. and subsidiaries' (the "System") consolidated financial statements include the accounts of Mercy Medical Center (the "Hospital"), a not-for-profit health care system, and its subsidiaries, Mercy Professional Care Corporation, a for-profit physician practice group; Mercy Development Foundation (the "Foundation"), a not-for-profit public benefit corporation; and Mercy Medical Center Home Health & Hospice, LLC (the "Company"), a for-profit home health agency.

The System operates a general acute-care hospital and certain other outpatient health care facilities and operations in the Canton, Ohio area, providing comprehensive quality health care services through the Hospital and related entities. Sisters of Charity of St. Augustine Health System, Inc. (SCHS), an Ohio nonprofit corporation, is the sole member of the System.

Mercy Medical Center Home Health & Hospice, LLC was formed as an Ohio limited liability company for the purpose of providing home health and hospice services within the Canton, Ohio area. The Hospital owns a 60 percent interest in the Company, with the remaining interest owned by an unrelated party.

In September 2019, The Sisters of Charity of St. Augustine Health System, Inc. entered into a letter of intent with the Cleveland Clinic Foundation to transfer ownership of Mercy Medical Center, Inc. and its subsidiaries (all system entities) to the Cleveland Clinic Foundation via a member substitution. The transaction was finalized in 2021 (see Note 18).

Note 2 - Significant Accounting Policies

Basis of Consolidation

The System's accompanying consolidated financial statements include the accounts of the Hospital and its controlled subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with 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.

Cash and Cash Equivalents

The System considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The System had restricted cash of \$1,802 and \$1,356 at December 31, 2020 and 2019, respectively, related to and restricted by an escrow account, a financing agreement, and net assets with donor restrictions.

Accounts Receivable

Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges, reduced by explicit price concessions provided to third-party payors, discounts provided to qualifying individuals as part of our financial assistance policy, and implicit price concessions provided primarily to self-pay patients.

Estimates for explicit price concessions are based on provider contracts, payment terms for relevant prospective payment systems, and historical experience adjusted for economic conditions and other trends affecting the System's ability to collect outstanding amounts.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records significant implicit price concessions in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

Inventory

Inventory primarily consists of medical, pharmaceutical, and other supplies, which are stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method.

Assets Limited as to Use and Investments

The System's investment funds and assets limited as to use are held in the Sisters of Charity of St. Augustine Health System Master Trust, an investment pool. The System is deemed to have a proportionate undivided interest in the fund or funds in which the Sisters of Charity of St. Augustine Health System Master Trust participates. The investments and assets limited as to use within the investment pool are recorded at fair value based on net asset value of the System's interest in the investment pool (see Note 5).

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in excess of expenses over revenue, unless the income or loss is restricted by donor or law. Changes in unrealized gains and losses on investments are presented separately within excess of expenses over revenue on the consolidated statement of operations.

Property and Equipment

Property and equipment amounts are recorded at cost or, if donated, at fair value at the date of acquisition. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

The System evaluated its obligations in connection with the applicable accounting standard, which clarifies the term "conditional asset retirement obligation," as used in the standard. The standard states that the obligation to perform an asset retirement activity is unconditional if there is a legal obligation to perform the retirement. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be estimated. Because there are no current plans requiring remediation giving rise to an asset retirement obligation, and a settlement date has not been specified by others, management believes that sufficient information is not available and believes there is no need to record an asset retirement obligation.

Other Accrued Liabilities

Other accrued liabilities principally consist of various employee benefit obligations, loans to patients where the Hospital is the guarantor, and obligations for the Hospital Franchise Fee Program.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions is a term used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the System. Restricted gifts, grants, and bequests are recorded as an addition to net assets with donor restrictions in the period received and are related primarily to capital projects and program support. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, then net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which they were received are reflected as unrestricted contributions and grants.

At December 31, 2020, net assets with donor restrictions of \$1,089 are subject to the passage of time, and \$1,144 are subject to expenditure for a specified purpose. At December 31, 2019, net assets with donor restrictions of \$1,026 are subject to the passage of time, and net assets with donor restrictions of \$683 are subject to expenditure for specified a specified purpose.

Revenue Recognition - Patient Service Revenue

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

Performance obligations are determined based on the nature of the services provided by the System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The System believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in our hospital receiving inpatient acute-care services or patients receiving services in our outpatient centers or other clinical settings. The System measures the performance obligation from admission into the hospital, or the commencement of an outpatient services or other visit, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services or other visit.

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

For performance obligations satisfied at a point in time, the System determines its transaction prices based on contractually agreed-upon amounts or rates. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our patients and customers in a retail setting (for example, pharmaceuticals), and the System does not believe it is required to provide additional goods or services related to that sale.

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

Because all of its performance obligations relate to contracts with a duration of less than one year, the System has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute-care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The System also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The System estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended December 31, 2020 and 2019, changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years were not significant. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

The System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the System expects to collect based on its collection history with those patients. Patients who meet the System's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

The System has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the System's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the System does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Excess of Expenses Over Revenue

The consolidated statements of operations and changes in net assets include excess of expenses over revenue, which is the performance indicator. Changes in unrestricted net assets, which are excluded from excess of expenses over revenue, consistent with industry practice, include contributions and distributions from/to noncontrolling interests, transfers to affiliates, and net assets released from restrictions for capital expenditures (including assets acquired using donor-restricted contributions for the purpose of acquiring such assets).

Concentration of Credit Risk

The System's concentration of credit risk relating to accounts receivable is limited due to the diversity of patients and payors. Accounts receivable consist of amounts due from government programs, commercial insurance companies, private-pay patients, and other group insurance programs.

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

Federal Income Tax

The Hospital and the Foundation are not-for-profit entities, as described in Section 501(c)(3) of the Internal Revenue Code (the "Code"), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

Mercy Professional Care Corporation, the for-profit subsidiary, is a taxable corporation. Mercy Professional Care Corporation has an estimated net operating loss carryforward of \$80,088 as of December 31, 2020. Any potential deferred tax asset attributable to the net operating loss carryforward has been fully offset by a valuation allowance, as Mercy Professional Care Corporation does not expect to realize a benefit from the losses. Income taxes on Mercy Professional Care Corporation, if any, are not significant.

Mercy Medical Center Home Health & Hospice, LLC is a limited liability company that has elected to be taxed as a partnership. Partnership income or loss is not taxed at the entity level, but flows through to the partners. The System's share of the taxable income may be subject to unrelated business income tax. Management believes the revenue is related income; therefore, no significant provisions have been made for income tax for 2020.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the System and recognize a tax liability if the System has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS) applicable taxing authorities. Management has analyzed the tax positions taken by the System and has concluded that, as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

Marketing and Advertising Costs

Marketing and advertising costs are expensed as incurred and were \$1,089 and \$1,344 for 2020 and 2019, respectively.

Upcoming Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the System's year ending December 31, 2022 and will be applied using a modified retrospective transition method as of the beginning of the year of adoption. Management expects that this new standard will increase long-term assets and short- and long-term liabilities upon adoption. The effects on the results of operations are not expected to be significant.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 12, 2021, which is the date the consolidated financial statements were available to be issued.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 3 - Cash in Excess of Insured Limits

The System and its subsidiaries maintain cash and investment balances at several financial institutions located in Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution as of December 31, 2020 and 2019. At December 31, 2020, the System holds funds at various institutions that significantly exceed the insured limits.

Note 4 - Patient Accounts Receivable

The System grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	2020	2019
Medicare	12 %	13 %
Medicaid	2	2
Medicare HMO	29	26
Medicaid HMO	4	3
Commercial insurance	48	50
Self-pay	5	6
Total	100 %	100 %

Note 5 - Investments and Assets Limited as to Use

The composition of assets limited as to use and investments at December 31, 2020 and 2019 is as follows:

	2020	2019
Short-term investments - Investment in Sisters of Charity of St. Augustine Health System Master Trust	\$ 43,961	\$ 22,954
Assets limited as to use in Sisters of Charity of St. Augustine Health System Master Trust	1,088	1,026
Total assets limited as to use and investments	\$ 45,049	\$ 23,980

Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses (net of investment fees), totaled \$34 and \$1,814 for the years ended December 31, 2020 and 2019, respectively.

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

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 6 - Fair Value Measurements (Continued)

The following tables present information about the System's assets measured at fair value on a recurring basis at December 31, 2020 and 2019 and the valuation techniques used by the System to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the System has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at
December 31, 2020

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
Investment in Sisters of Charity of St. Augustine Health System Master Trust	\$ -	\$ 43,961	\$ -	\$ 43,961
Assets limited as to use in Sisters of Charity of St. Augustine Health System Master Trust	-	1,088	-	1,088
Total assets	\$ -	\$ 45,049	\$ -	\$ 45,049

Assets Measured at Fair Value on a Recurring Basis at
December 31, 2019

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2019
Investment in Sisters of Charity of St. Augustine Health System Master Trust	\$ -	\$ 22,954	\$ -	\$ 22,954
Assets limited as to use in Sisters of Charity of St. Augustine Health System Master Trust	-	1,026	-	1,026
Total assets	\$ -	\$ 23,980	\$ -	\$ 23,980

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 6 - Fair Value Measurements (Continued)

As described in Note 2, during 2020 and 2019, the System participated in the Sisters of Charity of St. Augustine Health System Master Trust. The fair value of the investments within the portfolio for which the System is deemed to have a proportionate undivided interest in the fund or funds in which the Sisters of Charity of St. Augustine Health System participates is determined to be based on Level 2 inputs. The underlying investments in the portfolio are composed primarily of assets valued using Level 1 and Level 2 valuation techniques.

Note 7 - Property and Equipment

The carrying amount of property, plant, and equipment and depreciable lives is summarized as follows:

	2020	2019	Depreciable Life - Years
Land	\$ 4,375	\$ 4,375	-
Land improvements	3,866	3,767	10-15
Buildings	87,735	86,691	7-40
Building improvements	56,121	54,510	3-10
Equipment	182,656	178,037	2-10
Construction in progress	3,346	2,646	-
Total cost	338,099	330,026	
Accumulated depreciation	259,582	246,709	
Net property and equipment	<u>\$ 78,517</u>	<u>\$ 83,317</u>	

Depreciation expense on property and equipment for 2020 and 2019 was \$12,962 and \$13,333, respectively.

Note 8 - Bonds and Notes Payable

Bonds and notes payable at December 31 are composed of the following:

	2020	2019
Revenue Refunding Bond, Series 2016A, due on January 1, 2030, secured by the gross revenue and certain facilities of Mercy Medical Center, Inc.	\$ 28,299	\$ 30,161
Obligations payable to Sisters of Charity of St. Augustine Health System, Inc. (Revenue Refunding Bond, Series 2016B, due on January 1, 2030)	20,214	21,544
Unamortized debt issuance costs	(240)	(266)
Long-term debt less unamortized debt issuance costs	48,273	51,439
Less current portion	48,273	3,192
Long-term portion	<u>\$ -</u>	<u>\$ 48,247</u>

In May 2016, Mercy Medical Center, Inc. issued \$35,000 of Tax Exempt Revenue Refunding Bonds, Series 2016A (the "Series 2016A Bonds") through the Cleveland-Cuyahoga Port Authority for the purpose of refinancing the Series 2000 Bonds, paying for the issuance of the Series 2016A Bonds, and funding a payment reserve account for future payment on the Series 2016A Bonds. Mercy Medical Center, Inc. is the obligor on the Series 2016A Bonds.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 8 - Bonds and Notes Payable (Continued)

SCHS and certain of its affiliates are the obligated group for the Series 2016A Bonds. Repayment of the Series 2016A Bonds is made through annual principal payments beginning in January 2017. The Series 2016A Bonds require monthly interest payments and bear interest at 70 percent of one-month LIBOR plus the credit spread. The interest rate at December 31, 2020 and 2019 was 2.37 and 3.60 percent, respectively.

In May 2016, SCHS issued \$25,000 of Tax Exempt Revenue Refunding Bonds, Series 2016B (the "Series 2016B Bonds") through the Cleveland-Cuyahoga Port Authority for the purpose of refinancing the Series 2000 Bonds, paying for the issuance of the Series 2016B Bonds, and funding a payment reserve account for future payment on the Series 2016B Bonds. SCHS and certain of its affiliates are the obligor on the Series 2016B Bonds. At the time of the issuance of the Series 2016B Bonds, Mercy Medical Center, Inc. and SCHS entered into an agreement whereby Mercy Medical Center, Inc. agreed to make all required payments on the Series 2016B Bonds directly to the bond trustee on behalf of SCHS. It was the intention of both Mercy Medical Center, Inc. and SCHS that the obligation be reflected on the financial statements of Mercy Medical Center, Inc. and for the repayment of the obligation to be made by Mercy Medical Center, Inc. on behalf of SCHS. The resultant amounts related to the Series 2016B Bonds have been recorded as obligations on the consolidated balance sheet of Mercy Medical Center, Inc.

SCHS and certain of its affiliates are the obligated group for the Series 2016B Bonds. Repayment of the Series 2016B Bonds is made through annual principal payments beginning in January 2017. The Series 2016B Bonds require monthly interest payments and bear interest at 70 percent of one-month LIBOR plus the credit spread. The interest rate at December 31, 2020 and 2019 was 1.40 and 2.71 percent, respectively.

Both the Series 2016A and Series 2016B Bonds are bank-held qualified bonds that have a mandatory tender date of May 1, 2021.

Mercy Medical Center, Inc. also agreed to pay SCHS a sum equal to any amount paid or advanced by SCHS with respect to the bonds, regardless of the characterization of the payment as principal, interest, fees, tax reimbursement, or otherwise without regard to whether the payment obligation arises from the Series 2016A or Series 2016B Bonds. All sums then payable to SCHS under such advances shall bear interest from the date of payment by SCHS until such amount is repaid in full at the rate equal to the interest rate payable under the terms of the bonds.

In the event Mercy Medical Center, Inc. fails to perform any of its covenants, agreements, or obligations with respect to the bonds, SCHS may perform any of such covenants, agreements, or obligations and any amounts expended by SCHS and in doing so shall constitute additional sums to be repaid by Mercy Medical Center, Inc. to SCHS.

The bonds and related agreements for the Series 2016A and 2016B Bonds require the obligated group to comply with certain financial and other nonfinancial covenants and restrictions. Management is not aware of any events of default in connection with the bonds and other related agreements for the Series 2016A and 2016B Bonds as of December 31, 2019.

At December 31, 2020, the System was not in compliance with the debt service coverage ratio covenant. As disclosed in Note 18, on February 1, 2021, the Series 2016A and Series 2016B Bonds were repaid in full.

The following table represents scheduled future principal payments on bonds and notes payable, by year and in the aggregate, as of December 31, 2020:

<u>Year Ending</u>	<u>Amount</u>
2021	<u>\$ 48,273</u>

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 9 - Operating Leases

The System is obligated under operating leases, primarily for facilities and equipment. Total rent expense under these leases was \$2,887 and \$3,244 for the years ended December 31, 2020 and 2019, respectively.

The following is a schedule of future minimum lease payments under operating leases and sublease receipts under noncancelable operating leases that have initial or remaining lease terms in excess of one year:

<u>Years Ending</u>	<u>Amount</u>
2021	\$ 2,462
2022	2,140
2023	2,060
2024	1,793
2025	787
Thereafter	386
Total	<u>\$ 9,628</u>

Note 10 - Capital Leases

The System leases a medical office building and parking garage through 2041, which is accounted for as a capital lease. As a result, property rights under the capitalized lease obligation of \$5,043 and \$5,295, which is net of accumulated amortization of \$6,807 and \$6,555 at December 31, 2020 and 2019, respectively, are included in buildings. The capital lease obligation has an implicit interest rate of 8.99 percent. Under the terms of the lease agreement, the annual payment is subject to rate increases every three years in an amount equal to one-half of the increase in the Consumer Price Index during the preceding three-year period. Assuming there is no change in the interest rate, the System's future lease payments will aggregate \$6,725, including interest of \$3,653, for the remaining lease term.

In October 2011, the System entered into a lease for a portion of another building that is used as an outpatient facility and medical office building and is accounted for as a capital lease through 2061. As a result, property rights under the capitalized lease obligation of \$6,648 and \$6,846, which is net of accumulated amortization of \$2,023 and \$1,824 at December 31, 2020 and 2019, respectively, are included in buildings. The capital lease obligation has an implicit interest rate of 13.96 percent. Under the terms of the lease agreement, the annual payment is subject to rate increases every two years, beginning in the third year, in an amount equal to the greater of 4 percent or the increase in the Consumer Price Index. Assuming there is no change in the rate, the System's future lease payments will aggregate \$49,237, including interest of \$40,598, over the remaining lease term.

The System also entered into lease arrangements for equipment maturing at various intervals through fiscal year 2024, which are accounted for as capital leases. The System's future lease payments will aggregate \$812, including interest of \$58, over the remaining lease terms.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 10 - Capital Leases (Continued)

Future minimum lease payments on the capital leases, by year and in the aggregate, are summarized as follows:

Years Ending December 31	Amount
2021	\$ 1,815
2022	1,814
2023	1,813
2024	1,555
2025	1,546
Thereafter	<u>48,231</u>
Total	56,774
Less amount representing interest	<u>44,309</u>
Present value of net minimum lease payments	<u>\$ 12,465</u>

Note 11 - Defined Contribution Pension Plan

The System has a defined contribution plan (the "Plan") with required employer contributions to cover employees who meet certain age and service requirements. Under the Plan, the System matches up to 50 percent of employees' 401(k) contributions up to a maximum of 4 percent of their annual salary. Additionally, at the discretion of the System, it may also contribute a percentage of qualified employees' gross annual salary. The System recorded \$6,151 and \$6,068 in 2020 and 2019, respectively, as pension expense in connection with the Plan.

Note 12 - Risks and Uncertainties

The System is partially self-insured for unemployment, workers' compensation, and employee health care, with stop-loss insurance for workers' compensation and health claims. The workers' compensation plan is covered by a stop-loss policy that covers claims over \$500 per employee or total claims in excess of \$1,000. The employee health care plan is covered by a stop-loss policy that covers claims over \$225 per employee. The expected amounts of insurance recoveries are recorded as a receivable, net of an allowance for uncollectible receivables. The System has recorded \$0 as the amount receivable from the stop-loss policy for the employee health care plan as of December 31, 2020 and 2019.

Because of the nature of its operations, the System is, at all times, subject to pending and threatened legal actions that arise in the normal course of its activities. There are known incidents that have occurred through December 31, 2020 that resulted in the assertion of professional liability claims. The System and subsidiaries accrue an estimate of the ultimate expense, including litigation and settlement expense, for incidents of potential improper professional service and other liability claims occurring during the year, as well as for those claims that have not been reported at year end.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 12 - Risks and Uncertainties (Continued)

Effective July 1, 2004, a substantial portion of the System's professional and general liability risk (stop-loss coverage) was insured through a segregated portfolio within a captive insurance company, which is wholly owned and managed by a third party. The Hospital had coverage for professional liability claims made over \$10,000 per claim and \$55,000 in aggregate annually prior to July 1, 2010. On July 1, 2010, the System's coverage was changed to cover professional liability claims made over \$5,000 per claim and \$47,500 in aggregate annually for claims made after June 30, 2010. The System added an additional \$10,000 of insurance coverage for claims made in excess of the \$47,500 annual aggregate as of July 1, 2010.

In 2010, the System had a \$2,000 self-insured retention for general liability claims under the umbrella insurance coverage. The System also carried an umbrella insurance coverage for claims in excess of these limits. The umbrella insurance coverage was \$75,000 for annual aggregate for 2010. For 2010, Mercy Professional Care Corporation had coverage for professional liability claims in limits of \$1,000 per claim and \$3,000 in the aggregate annually.

Effective January 1, 2011, the System changed insurance providers for its professional, general, and employee liability risks. For claims asserted against the System or a named insured entity as of January 1, 2011 or later (unless the claim relates to an event that occurred prior to January 1, 2011 and was reported to the System's prior insurance carrier), these risks are insured through a captive insurance company owned by SCHS, the parent of the System (the "SCHS Captive"). The System has first dollar coverage through the policy with the SCHS Captive. The System, along with certain other named insured entities owned by SCHS named under the policy, shares coverage for claims with total limits per incident and in the aggregate of \$55,000 for professional liability claims, \$51,000 for general liability claims, and \$51,000 for employee benefit liability claims, for all named insured entities under the policy, including the System. The System is insured under a retrospectively rated policy of the SCHS Captive, and the premiums are accrued based on the SCHS Captive's experience to date. The SCHS Captive's self-insured retention totals \$5,000 for professional liability claims, \$1,000 for general liability claims, and \$500 for employee benefit liability claims, with any excess above the retention limits being reinsured by a number of carriers.

Reserves for general and professional liability claims, including an estimate for community physicians and incurred but not reported claims, are \$3,005 and \$2,682 at December 31, 2020 and 2019, respectively. Professional liability insurance and other insurance expense of \$6,012 and \$4,617 for the years ended December 31, 2020 and 2019, respectively, is classified in other operating expenses on the System's consolidated statements of operations and changes in net assets. Provisions for losses and related expenses for the self-insured retention for general and professional liability risks are based upon undiscounted actuarially determined estimates.

Note 13 - Related Party and Affiliation

The System is required to pay a member assessment equal to a percentage of budgeted operating expenses each year to SCHS. The System paid \$4,275 and \$3,213 for the years ended December 31, 2020 and 2019, respectively.

The System also reimburses SCHS for various expenses, including executive compensation; insurance premiums for medical, general, and other liability coverage; mission and ministry services; membership dues; and other costs, which totaled \$2,403 and \$5,558 for the years ended December 31, 2020 and 2019, respectively. The System owed SCHS \$81 and \$127 (included in accounts payable and accrued liabilities) at December 31, 2020 and 2019, respectively.

As noted in Note 12 above, effective January 1, 2011, the System participates in the SCHS professional and general liability insurance captive. In return for coverage, the System paid premiums, net of retrospective premium refunds, totaling \$4,783 and \$5,082 for the years ended December 31, 2020 and 2019, respectively.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 13 - Related Party and Affiliation (Continued)

The System also reimburses UHHS/Cuyahoga Corporation, an organization partially owned by SCHS, for finance and information technology services provided. The amount paid was \$1,127 and \$1,458 for the years ended December 31, 2020 and 2019, respectively. The System owed UHHS/Cuyahoga Corporation \$103 and \$151 (included in accounts payable and accrued liabilities) at December 31, 2020 and 2019, respectively.

Alternate Solutions Healthcare System, which owns a minority interest in Mercy Medical Center Home Health & Hospice, LLC, provides billing, staffing, administrative, and operational business oversight to Mercy Medical Center Home Health & Hospice, LLC. The amount paid to Alternate Solutions Healthcare System was \$2,708 and \$2,890 for the years ended December 31, 2020 and 2019, respectively. Mercy Medical Center Home Health & Hospice, LLC owed Alternate Solutions Healthcare System \$148 and \$158 (included in accounts payable) at December 31, 2020 and 2019, respectively.

Note 14 - Net Patient Service Revenue

A significant portion of the System's net patient service revenue is received from the Medicare and Medicaid programs, as well as from other commercial payors. The System has agreements with these and other third-party payors that provide for reimbursement at amounts different from established rates. A summary of the basis of reimbursement with these third-party payors is as follows:

Medicare

Inpatient, acute-care, dialysis, and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient and home care services related to Medicare beneficiaries are reimbursed based on a prospectively determined ambulatory payment classification system and amount per episode of care. Physician services are paid on a fee-for-service schedule.

Capital costs for Medicare are reimbursed on a prospectively determined rate per case. Medicare reimburses education costs at a prospectively determined rate. The System is reimbursed for certain items at a tentative rate, with final settlement determined after submission of annual cost reports and audits thereof by the fiscal intermediary.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. A demonstration project completed in several other states resulted in the identification of potential significant overpayments. The RAC program began for Ohio hospitals in 2010. The Hospital received several audit requests throughout the year. The audits completed have resulted in minimal paybacks; however, if selected for further audits, the potential exists for significant overpayments or underpayments of claims.

Medicaid

Inpatient acute-care hospital services are reimbursed on a prospective basis using the All Patient Refined Diagnosis Related Group (APR-DRG) system. Outpatient acute care services are reimbursed on a prospective basis using the Enhanced Ambulatory Patient Groups (EAPG) system.

The Medicaid payment system in Ohio is a prospective one, whereby rates for the following state fiscal year beginning on July 1 are based upon filed cost reports for the preceding calendar year. The continuity of this system is subject to the uncertainty of the fiscal health of the State of Ohio, which can directly impact future rates and the methodology currently in place. Any significant changes in rates, or the payment system itself, could have a material impact on the future of Medicaid funding to providers.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 14 - Net Patient Service Revenue (Continued)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation. Violations may result in significant regulatory action, including fines, penalties, and exclusions from the Medicare and Medicaid programs.

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the System's total operating expenses divided by gross revenue charges. The System estimates that it provided \$1,530 and \$2,966 of services to indigent patients during 2020 and 2019, respectively. The System received \$75 and \$301 in net distributions from the Ohio Medicaid HCAP program in 2020 and 2019, respectively, to offset the cost of charity care. The System recognized approximately \$211 and \$1,332 from the Ohio Medicaid HCAP Program for the years ended December 31, 2020 and 2019, respectively, of which the amounts in excess of those for charity being for Medicaid disproportionate share and Medicaid losses.

Other

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under these agreements includes prospectively determined rates per discharge or service, discounts from established charges, and prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the System's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Final reimbursement under the Medicare and Medicaid programs is subject to audit by fiscal intermediaries. Although these audits may result in some changes in these amounts, they are not expected to have a material effect on the accompanying consolidated financial statements. Adjustments arising from a change in the transaction price were not significant in 2020 or 2019.

Disaggregation of Revenue

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

- Payors (for example, Medicaid (and HMOs), Medicare (and HMOs), and self-pay.
- The System's line of business that provided the services (for example, hospital inpatient, hospital outpatient, physician office, home health, retail pharmacy, etc.)

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 14 - Net Patient Service Revenue (Continued)

Total patient service revenue recognized over time was \$320,543 and \$351,207 for the years ended December 31, 2020 and 2019, respectively. Total revenue recognized at a point in time, related to retail pharmacy sales included in other operating revenue, totaled \$3,440 and \$3,447 for the years ended December 31, 2020 and 2019, respectively.

Note 15 - Liquidity

The following reflects the System's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated balance sheet date:

	2020	2019
Cash and cash equivalents	\$ 30,574	\$ 13,419
Restricted cash	1,802	1,356
Patient accounts receivable	36,818	45,097
Short-term investments	43,961	22,954
Assets limited as to use	1,088	1,026
Financial assets - At year end	114,243	83,852
Less those unavailable for general expenditures within one year due to donor-imposed or other restrictions:		
Restricted cash for patient loan program	463	492
Restricted cash by donors	1,339	864
Assets limited as to use	1,088	1,026
Financial assets available to meet cash needs for general expenditures within one year	\$ 111,353	\$ 81,470

The System has certain board-designated and donor-restricted investments and assets limited as to use that are more fully described in Note 5. These amounts are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

The System has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The System also realizes there could be unanticipated liquidity needs. The System has a goal to maintain financial assets, which consist of cash and cash equivalents, patient accounts receivable, short-term investments, and assets limited as to use, to meet 60 days of normal operating expenses, which are, on average, approximately \$57.

The System must also comply with certain financial covenants, as disclosed within Note 8.

Note 16 - Functional Expenses

The System operates a general acute-care facility and other facilities that provide inpatient and outpatient health care services to patients in Stark County, Ohio and the Canton, Ohio vicinity.

The costs of providing the program and support services are reported on a functional basis. Costs are allocated between the various programs and support services on an actual basis by department. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

PUBLIC INSPECTION COPY

Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 16 - Functional Expenses (Continued)

Expenses related to providing these services during 2020 are as follows:

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries, wages, and benefits	\$ 167,637	\$ 13,864	\$ 367	\$ 181,868
Other operating expenses	152,795	8,951	139	161,885
Depreciation and amortization	12,577	380	5	12,962
Interest expense	2,688	55	-	2,743
Total	<u>\$ 335,697</u>	<u>\$ 23,250</u>	<u>\$ 511</u>	<u>\$ 359,458</u>

Expenses related to providing these services during 2019 are as follows:

	Program Expenses	Management and General Expenses	Fundraising Expenses	Total
Salaries, wages, and benefits	\$ 169,656	\$ 15,555	\$ 369	\$ 185,580
Other operating expenses	147,834	16,152	170	164,156
Depreciation and amortization	11,163	2,170	-	13,333
Interest expense	2,851	544	-	3,395
Total	<u>\$ 331,504</u>	<u>\$ 34,421</u>	<u>\$ 539</u>	<u>\$ 366,464</u>

Note 17 - COVID-19 Pandemic

Provider Relief Fund

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted health care business operations. During the second, third, and fourth quarters of 2020, the System's operations were significantly impacted, as shelter-in-place orders and government mandates to suspend elective procedures reduced volumes significantly during the period. The System moved to mitigate the impact by reducing variable operating expenses, eliminating and delaying capital expenditures, and actively managing cash balances.

Enacted on March 27, 2020 by the federal government, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was established, which authorizes \$100 billion to be administered through grants and other mechanisms to hospitals, public entities, not-for-profit entities, and Medicare- and Medicaid-enrolled suppliers and institutional providers. The purpose of these funds is to reimburse providers for lost revenue attributable to the coronavirus pandemic, such as forgone revenue from canceled procedures, and to provide support for related health care expenses, such as constructing temporary structures or emergency operation centers; retrofitting facilities; purchasing medical supplies and equipment, including personal protective equipment and testing supplies; and increasing workforce. Further, these relief funds ensure uninsured patients are receiving testing and treatment for COVID-19.

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 17 - COVID-19 Pandemic (Continued)

On April 10, 2020, the U.S. Department of Health and Human Services (HHS) began making payments to health care providers from the \$100 billion appropriation. These are payments to health care providers that will not need to be repaid as long as the System complies with certain terms and conditions outlined by HHS. The System relied upon guidance issued by HHS through April 12, 2021. The terms and conditions first require the health care provider to identify health care-related expenses attributed to COVID-19 that another source has not reimbursed or is obligated to reimburse. If those expenses do not exceed the funding received, the health care provider then applies the funds to patient care lost revenue. HHS' January 15, 2021 notice, *Post-Payment Notice of Reporting Requirements*, provided health care providers three options to calculate patient care lost revenue. To determine the total distributions to be recognized as revenue as of December 31, 2020, the System totaled unreimbursed related expenses attributed to COVID-19 and calculated patient care lost revenue based on the difference between 2020 budgeted and 2020 actual patient care revenue.

The System received \$19,816 of payments as part of general and targeted distributions of the CARES Act Provider Relief Fund. As of December 31, 2020, the System has recognized \$19,816 as grant revenue on the consolidated statement of operations. The System has asserted that it has met the conditions and restrictions outlined within the HHS' published terms and conditions for the CARES Act as of December 31, 2020. In January 2021, the System received an additional \$11,798 from the Provider Relief Fund, which is not recorded in the accompanying consolidated financial statements due to the timing of the award. For Provider Relief Fund distributions that are not supported by 2020 expenses and lost revenue, the System has an additional six months from January 1, 2021 to June 30, 2021 in which to use amounts remaining toward expenses attributable to COVID-19 but not reimbursed by other sources and/or lost patient care revenue. HHS is entitled to recoup Provider Relief Funds that are unused as for the purposes disclosed above.

HHS' requirements for the uses of the CARES Act funds are subject to change and are open to interpretation and clarification and, therefore, may result in changes in the amounts recognized as other operating revenue during the year ended December 31, 2020. Any changes in amounts recognized as result of new guidance, interpretation, or clarification will be recognized in the period in which the change occurred.

There is at least a reasonable possibility that amounts recorded under the CARES Act by the System may change in future periods.

Federal Emergency Management Association Funding

The System applied for and received approval for funding from the Federal Emergency Management Association (FEMA) for COVID-19 expenses. In December 2020, the System received approximately \$290, which was recognized as other operating revenue on the consolidated statement of operations. These funds are subject to single audit requirements.

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 17 - COVID-19 Pandemic (Continued)

Medicare Advance Payments

During 2020, the System requested accelerated Medicare payments, as provided for in the CARES Act, which allows for eligible health care facilities to request up to 6 months of accelerated Medicare payments for acute-care hospitals. The repayment terms of the accelerated Medicare payments begin one year after the first payment was issued, at which point these amounts will be repaid at 25 percent of the Medicare payments to the System for 11 months. After 11 months, the recoupment will increase to 50 percent of the Medicare payments for 6 additional months (or until all amounts are repaid). Any unapplied accelerated payment amounts that are unpaid after this 17-month period are due to CMS, plus interest at a rate of 4 percent on the outstanding balance. As of December 31, 2020, the System received approximately \$33,201 from these accelerated Medicare payment requests, which is recorded within accrued liabilities and other on the consolidated balance sheet. The System repaid all of the accelerated Medicare payments it received in January 2021.

Deferral of Payroll Taxes

Through the CARES Act and subsequent amendments, the System was able to defer the remittance of the employer portion of payroll taxes from April 1, 2020 to October 31, 2020. The deferred payroll taxes are required to be remitted in two tranches, with 50 percent due December 31, 2021 and the remainder due December 31, 2022. As December 31, 2020, the System had deferred approximately \$5.5 million of payroll taxes, of which half is recorded within accrued salaries and related liabilities and the other half is recorded within deferred Social Security taxes on the consolidated balance sheet.

Paycheck Protection Program (PPP)

During the year ended December 31, 2020, Mercy Professional Care Corporation (ProCare) received a PPP loan in the amount of approximately \$3.0 million. The PPP loan program was created under the CARES Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. ProCare may use the funds on qualifying expenses over a covered period up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of two years with interest accruing at a rate of 1 percent, with monthly payments of principal and interest beginning 10 months after the conclusion of the covered period.

Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. In addition, because ProCare's loan exceeds \$2 million, the SBA will review ProCare's loan file, which will include review of ProCare's eligibility for the program and the good faith certification of the necessity of the loan.

Accounting principles generally accepted in the United States of America (U.S. GAAP) government grants, including certain forgivable government loans, are recognized as income in the period in which the company has substantially overcome all measurable performance related barriers necessary to be entitled to keep the grant funds. As of December 31, 2020, ProCare has assessed that all requirements for forgiveness were achieved and, therefore, has recorded contribution revenue of approximately \$3.0 million within grant revenue on the consolidated statement of operations, consistent with generally accepted accounting principles.

Prior to December 31, 2020, the ProCare submitted a request for forgiveness; however, as of the date the financial statements were available to be issued, notification of SBA loan forgiveness has not been received. While the ProCare believes that forgiveness of the loan is probable, there can be no assurance that any portion of the PPP loan will be forgiven.

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Mercy Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(In Thousands)

Note 18 - Subsequent Event

On December 7, 2020, SCHS entered into a member substitution agreement (the "agreement") with the Cleveland Clinic Foundation (the "Clinic"), a health care system in Cleveland, Ohio, where the Clinic became the sole member of the System. This transaction closed on February 1, 2021 (the "transaction date"). As part of the agreement, on the transaction date, the Series 2016A Bonds and amounts owed under the 2016B Bonds were repaid in full (see Note 8). At the transaction date, the System was released from its obligations as a member of the SCHS obligated group.