

# Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm) for list of current NRMSIRs and SIDs

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**IF THIS FILING RELATES TO A SINGLE BOND ISSUE:**

Provide name of bond issue exactly as it appears on the cover of the Official Statement  
(please include name of state where issuer is located):

\$28,465,000

Michigan State Hospital Finance Authority

Hospital Revenue Bonds, Series 2005A

Marquette General Hospital Obligated Group

Provide nine-digit CUSIP\* numbers if available, to which the information relates:

59465HAW6

59465HAX4

59465HAY2

59465HAZ9

59465HBA3

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**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located): \_\_\_\_\_

Other Obligated Person's Name (if any): \_\_\_\_\_  
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s), if available, of Issuer: \_\_\_\_\_

\*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

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**TYPE OF FILING:**

Electronic (number of pages attached) 19  Paper (number of pages attached) \_\_\_\_\_

If information is also available on the Internet, give URL: [www.firstriver.com](http://www.firstriver.com)

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This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

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**IF THIS FILING RELATES TO A SINGLE BOND ISSUE:**

Provide name of bond issue exactly as it appears on the cover of the Official Statement  
(please include name of state where issuer is located):

\$37,000,000

Michigan State Hospital Finance Authority

Hospital Revenue Bonds, Series 2006

Marquette General Hospital Obligated Group

Provide nine-digit CUSIP\* numbers if available, to which the information relates:

59465HDX1

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**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located): \_\_\_\_\_

Other Obligated Person's Name (if any): \_\_\_\_\_  
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s), if available, of Issuer: \_\_\_\_\_

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**WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**

A.  Annual Financial Information and Operating Data pursuant to Rule 15c2-12  
(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: \_\_\_\_\_

B.  Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: \_\_\_\_\_

C.  Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- |  |  |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies                                 | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security   |
| 2. <input type="checkbox"/> Non-payment related defaults   | 7. <input type="checkbox"/> Modifications to the rights of security holders                                  |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls   |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties   | 9. <input type="checkbox"/> Defeasances  |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform   | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
|  | 11. <input type="checkbox"/> Rating changes  |

D.  Notice of Failure to Provide Annual Financial Information as Required

E.  Quarterly or Monthly Financial Information and Operating Data  
(Financial information and operating data should not be filed with the MSRB.)

Period Covered: June – September 2011 (FY2012Q1)

F.  Other Secondary Market Information (Specify): \_\_\_\_\_

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

**Issuer Contact:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Employer \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
Email Address \_\_\_\_\_ Issuer Web Site Address \_\_\_\_\_

**Dissemination Agent Contact, if any:**

Name Shelley J. Aronson Title President  
Employer First River Advisory L.L.C.  
Address 2640 Override Drive City Ann Arbor State MI Zip Code 48104  
Telephone (734) 761-3624 Fax (734) 761-3614  
Email Address [aronson@firstriver.com](mailto:aronson@firstriver.com) Relationship to Issuer Dissemination Agent

**Obligor Contact, if any:**

Name Jerry L. Worden, CPA Title Senior Vice President and Chief Financial Officer  
Employer Marquette General Hospital  
Address 420 West Magnetic Street City Marquette State MI Zip Code 49855  
Telephone (906) 225-3450 Fax (906) 225-3800  
Email Address [Jerry.Worden@MGHS.org](mailto:Jerry.Worden@MGHS.org) Obligor Web Site Address [www.mgh.org](http://www.mgh.org)

**Investor Relations Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

**MARQUETTE GENERAL HOSPITAL  
420 WEST MAGNETIC STREET  
MARQUETTE, MI 49855**

**OFFICER'S CERTIFICATE**

**DATED: NOVEMBER 11, 2011**

This Officer's Certificate is delivered pursuant to Section 5.10(b) of the Loan Agreement between Marquette General Hospital (the Corporation) and the Michigan State Hospital Finance Authority (the Issuer), dated as of April 15, 2005 (the 2005 Loan Agreement) and Section 5.10(b) of the Loan Agreement between the Corporation and the Issuer, dated as of August 1, 2006 (the 2006 Loan Agreement). All capitalized terms used herein are as defined in the 2005 Loan Agreement, in the 2006 Loan Agreement, in the Trust Indenture between the Issuer and Wells Fargo Bank, N.A., as Trustee (the Bond Trustee), dated as of April 15, 2005 relating to the Series 2005A Bonds, in the Trust Indenture between the Issuer and the Bond Trustee dated as of August 1, 2006 relating to the Series 2006 Bonds, or in the Master Indenture and Security Agreement between the Corporation and Wells Fargo Bank, N.A., as Master Trustee, dated as of December 1, 2004, as supplemented.

Attached are internally-prepared quarterly financial statements for the Fiscal Year quarter ended September 30, 2011, including a balance sheet as of the end of each such quarter, and a statement of operations and changes in Net Assets for such quarter (the Quarterly Financial Statements). The undersigned certifies that:

1. I am the Chief Financial Officer of the Corporation and duly authorized to deliver this Officer's Certificate;
2. the Quarterly Financial Statements have been prepared on substantially the same accounting basis as the Corporation's audited financial statements for its Most Recent Fiscal Year;
3. the Quarterly Financial Statements are, to the best of my belief, true and correct, but may be subject to audit and Fiscal Year-end adjustments;
4. pursuant to Sections 4(b) and 4(c) of the Waiver and Reservation of Rights Agreements with the Series 2005 Bondholders and Assured Guaranty Corporation, respectively, the Obligated Group complied with the Debt Service Coverage Ratio covenant for FY2012Q1, as demonstrated by the following calculations:

**Debt Service Coverage Ratio Calculation**  
**for the Rolling Four Quarters Ended September 30, 2011**  
**Based on Maximum Annual Debt Service Requirements in FY2020**  
**Per Sections 4(b) and 4(c) of the Waiver and Reservation of Rights Agreements with the**  
**Series 2005 Bondholders and Assured Guaranty Corporation, respectively**  
**(\$000s omitted, except for Debt Service Coverage Ratio)**

			<i>Minus</i>	<i>Plus</i>	<i>Rolling Four Quarters</i>
		<i>FY2011</i>	<i>FY2011Q1</i>	<i>FY2012Q1</i>	
Excess (Deficit) of Revenue over Expenses		10,798	2,089	(160)	8,550
Depreciation Expense		11,017	2,890	2,664	10,791
Interest Expense		3,486	902	820	3,405
(Gain) Loss on Extinguishment of Debt		0	0	0	0
(Gain) Loss on Disposal of Capital Assets		397	2	1	395
(Gain) Loss on Interest Rate Swap		(588)	967	1,882	327
Net Unrealized Investment (Gains) Losses		(1,557)	(213)	63	(1,281)
Net Income Available for Debt Service	NIADS	23,553			22,187
Maximum Annual Debt Service Requirements	MADS				7,118
Debt Service Coverage Ratio	NIADS / MADS				3.12
Requirement					1.35

and

5. the end of this Fiscal Year quarter, September 30, 2011, is not a DCOH Measuring Date.



Jerry L. Worden, Senior Vice President and Chief Financial Officer

**MARQUETTE GENERAL HOSPITAL**  
**420 WEST MAGNETIC STREET**  
**MARQUETTE, MI 49855**

**OFFICER'S CERTIFICATE**  
**Section 5.10(f)(iii) of the 2006 Loan Agreement**

**DATED: NOVEMBER 11, 2011**

This Officer's Certificate is delivered to Assured Guaranty Corporation pursuant to Section 5.10(f)(iii) of the Loan Agreement between Marquette General Hospital (the Corporation) and the Michigan State Hospital Finance Authority (the Issuer), dated as of August 1, 2006. All capitalized terms used herein are as defined in the Loan Agreement, in the Trust Indenture between the Issuer and Wells Fargo Bank, N.A., as Bond Trustee, dated as of August 1, 2006 relating to the Series 2006 Bonds, in the Master Indenture and Security Agreement between the Corporation and Wells Fargo Bank, N.A., as Master Trustee, dated as of December 1, 2004, or in Supplemental Indenture Number 5 between the Corporation and the Master Trustee dated as of August 1, 2006. The undersigned certifies that:

1. neither the Corporation nor the Obligated Group (currently the same) are in default of any of their obligations or covenants under the Master Indenture, Supplemental Indenture Number 5 or the related financing documents; and
2. as of September 30, 2011, the aggregate long-term debt to capitalization ratio of the Obligated Group did not exceed 65% of the Obligated Group's total unrestricted net assets, as demonstrated in the following calculation:

<i>Debt-to-Capitalization Calculation at September 30, 2011 Per Section 901(f) of Supplemental Indenture Number 5 (\$000s omitted, except for Debt-to-Capitalization)</i>		
Current Portion of Long-Term Debt		2,492
Long-Term Debt		59,032
Total Indebtedness	D	61,524
Unrestricted Net Assets	NA	77,950
Debt-to-Capitalization Ratio	$D / (D + NA)$	44.1%
Requirement (less than)		65.0%

Very truly yours,

MARQUETTE GENERAL HOSPITAL, INC. for itself and as Obligated Group Agent on  
behalf of the Obligated Group



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Jerry L. Worden, Senior Vice President and Chief Financial Officer

**MARQUETTE GENERAL HOSPITAL**  
**420 WEST MAGNETIC STREET**  
**MARQUETTE, MI 49855**

**OFFICER'S CERTIFICATE**  
**Section 5.01 of the Standby Bond Purchase Agreement**

**DATED: NOVEMBER 11, 2011**

This Officer's Certificate is delivered to JP Morgan Chase Bank, N.A. (the Bank) pursuant to Section 5.01 of the Standby Bond Purchase Agreement (the SBPA) between Marquette General Hospital (the Corporation) and the Bank, dated as of April 16, 2008 and amended by the First Amendment dated as of December 16, 2008 and by the Second Amendment dated December 23, 2010. All capitalized terms used herein are as defined in the SBPA. The undersigned certifies that:

1. neither the Corporation nor the Obligated Group (currently the same) are in default of any of their obligations or covenants under the Master Indenture, Supplemental Indenture Number 5 or the related financing documents; and
2. as of September 30, 2011, the aggregate long-term debt to capitalization ratio of the Obligated Group did not exceed 65% of the Obligated Group's total unrestricted net assets, as demonstrated in the following calculation:

<i>Debt-to-Capitalization Calculation at September 30, 2011 Per Section 901(f) of Supplemental Indenture Number 5 (\$000s omitted, except for Debt-to-Capitalization)</i>		
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Very truly yours,

MARQUETTE GENERAL HOSPITAL, INC. for itself and as Obligated Group Agent on behalf of the Obligated Group



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Jerry L. Worden, Senior Vice President and Chief Financial Officer

# MARQUETTE GENERAL HEALTH SYSTEM

## BALANCE SHEET

September 30, 2011 and June 30, 2011

	FY 2012	FY 2011		FY 2012	FY 2011
Cash	\$ 20,186,189	\$ 28,458,445	Accounts Payable	\$ 11,826,116	\$ 17,279,122
Patient Accounts Receivable	45,774,277	47,471,002	Accrued Compensation	7,172,609	9,365,332
Less Allowance for Bad Debt	<u>12,190,625</u>	<u>11,765,240</u>	Accrued Benefit Obligations	10,047,648	10,730,104
Net Patient A/R	<u>33,583,652</u>	<u>35,705,762</u>	Accrued Interest	679,681	267,610
Est. Reimbursement Third-Party	843,008	(22,637)	Other Current Liabilities	1,540,933	1,464,667
Inventories	8,052,312	8,118,566	Current Portion of Long-Term Debt	<u>2,492,374</u>	<u>2,492,374</u>
Prepaid Expenses	<u>2,840,817</u>	<u>2,609,833</u>			
			Total Current Liabilities	33,759,361	41,599,209
Net Current Assets	65,505,978	74,869,969	Insurance Reserves	4,996,297	5,480,036
Board Designated Fund	45,386,384	45,244,042	Accrued Pension Liability, net of current portion	49,489,786	51,837,385
Beneficial Interest - MG Foundation	3,427,279	3,315,284	Long-Term Accrued Benefit Obligation	3,686,809	3,686,809
Self Insurance Trusts	5,438,221	5,297,704	Interest Rate Liability	6,830,922	4,948,792
Debt Service Reserves	8,021,740	6,621,010	Other Long-Term Debt	414,985	427,012
Unamortized Debt Issue Expense	1,043,627	1,064,831			
Goodwill	525,950	525,950	Revenue Bonds-Series 2006	37,000,000	37,000,000
Other	<u>19,074,906</u>	<u>19,390,275</u>	Revenue Bonds-Series 2005	<u>21,616,652</u>	<u>21,628,739</u>
Total Other Assets	82,918,107	81,459,096	Total Long-Term Liabilities	<u>124,035,451</u>	<u>125,008,773</u>
Land/Land Improvements	10,839,664	10,839,664	Total Liabilities	157,794,812	166,607,982
Buildings	147,580,698	147,582,698	Unrestricted Fund Balance	77,950,123	78,348,750
Equipment	152,670,848	152,507,825	Temporarily Restricted Fund Balance	<u>3,427,279</u>	<u>3,315,283</u>
Construction in Progress	<u>1,280,034</u>	<u>1,001,406</u>	Fund Balance	<u>81,377,402</u>	<u>81,664,033</u>
Total	312,371,244	311,931,593	Total Liabilities and Fund Balance	\$ 239,172,214	\$ 248,272,015
Allowance for Depreciation	<u>221,623,115</u>	<u>219,988,643</u>			
Net Capital Assets	<u>90,748,129</u>	<u>91,942,950</u>			
Total Assets	<u>\$ 239,172,214</u>	<u>\$ 248,272,015</u>			

# MARQUETTE GENERAL HEALTH SYSTEM

## STATEMENT OF OPERATIONS

Three Months Ended September 30, 2011 and 2010

	<u>FY2012 Actual</u>	<u>FY2012 Budget</u>	<u>FY2012 Actual to Budget Variance</u>	<u>FY2011 Actual</u>	<u>FY2012 to FY2011 Actual Variance</u>
<b>REVENUE:</b>					
Inpatient	\$ 58,873,389	\$ 65,134,310	\$ (6,260,921)	\$ 62,669,691	\$ (3,796,302)
Outpatient	68,097,558	70,118,285	(2,020,727)	65,623,135	2,474,423
Physician Revenue	33,056,950	33,881,368	(824,418)	30,137,391	2,919,559
Home Health	1,271,899	1,652,866	(380,967)	1,834,753	(562,854)
Total Patient Revenue	<u>161,299,796</u>	<u>170,786,829</u>	<u>(9,487,033)</u>	<u>160,264,970</u>	<u>\$ 1,034,826</u>
Third Party Contractual Deductions	83,272,366	89,322,195	(6,049,829)	82,483,140	789,226
Bad Debt Provision	3,412,119	3,654,470	(242,351)	3,299,011	113,108
Charity Care	<u>658,817</u>	<u>760,312</u>	<u>(101,495)</u>	<u>629,507</u>	<u>29,310</u>
Net Patient Revenue	73,956,494	77,049,852	(3,093,358)	73,853,312	103,182
Other Operating Revenue	3,042,789	3,010,297	32,492	3,010,944	31,845
Income from Investment in Unconsol Affiliates	961,221	1,125,000	(163,779)	1,459,000	(497,779)
Net Assets Released from Restriction	<u>50,603</u>	<u>3,750</u>	<u>46,853</u>	<u>15,997</u>	<u>34,606</u>
Net Operating Revenue	78,011,107	81,188,899	(3,177,792)	78,339,253	(328,146)
<b>EXPENSES:</b>					
Salaries & Wages	30,930,799	30,906,904	23,895	30,778,278	152,521
Employee Health & Welfare	8,961,800	8,683,464	278,336	8,456,062	505,738
Professional Fees	615,101	657,501	(42,400)	475,566	139,535
Supplies	16,826,617	17,165,642	(339,025)	17,966,555	(1,139,938)
Utilities	1,546,172	1,238,862	307,310	1,346,779	199,393
Purchased Services & Maintenance Contracts	8,617,263	7,916,360	700,903	8,201,168	416,095
Travel & Education	771,563	837,219	(65,656)	563,394	208,169
Rental Expense	1,292,695	1,431,856	(139,161)	1,305,520	(12,825)
Miscellaneous Expenses	3,852,931	3,813,345	39,586	2,844,392	1,008,539
Interest & Bond Discount	820,376	830,016	(9,640)	901,597	(81,221)
Depreciation	2,663,694	2,746,480	(82,786)	2,890,369	(226,675)
(Gain) Loss on Disposal of Assets	859	(78)	937	2,222	(1,363)
Total Operating Expenses	<u>76,899,870</u>	<u>76,227,571</u>	<u>672,299</u>	<u>75,731,902</u>	<u>1,167,968</u>
Operating Margin	<u>\$ 1,111,237</u>	<u>\$ 4,961,328</u>	<u>\$ (3,850,091)</u>	<u>\$ 2,607,351</u>	<u>\$ (1,496,114)</u>

**MARQUETTE GENERAL HEALTH SYSTEM**  
**STATEMENT OF NON-OPERATING REVENUE/EXPENSE AND INCREASE IN NET ASSETS**  
**THREE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010**

	<u>FY2012 Actual</u>	<u>FY2011 Actual</u>
Operating Margin	\$ 1,111,237	\$ 2,607,351
Nonoperating Revenue/(Expense):		
Net realized investment gains	673,726	235,009
Net unrealized gains on investments	(62,930)	213,075
Loss on interest rate lock agreement	<u>(1,882,130)</u>	<u>(966,699)</u>
Total Nonoperating Revenue/(Expense)	<u>(1,271,334)</u>	<u>(518,615)</u>
Excess of revenue over expenses	(160,097)	2,088,736
Other Changes in Unrestricted Net Assets:		
Contribution received for property acquisition	10,475	252,916
Gains (Losses) on discontinued operations		
Pension liability adjustment		
SHP Equity Transfer	<u>(249,005)</u>	<u>                    </u>
Increase (decrease) in unrestricted net assets	(398,627)	2,341,652
Unrestricted Net Assets, Beginning Balance	<u>78,348,750</u>	<u>70,934,332</u>
Unrestricted Net Assets, Ending Balance	77,950,123	73,275,984
Restricted Net Assets, Ending Balance	<u>3,427,279</u>	<u>2,829,770</u>
Total Net Assets, Ending Balance	<u><u>\$81,377,402</u></u>	<u><u>\$76,105,754</u></u>

# Marquette General Health System

## STATEMENT OF CASH FLOWS

For the Three Months Ended September 30, 2011

### Operating Activities

Operating margin	\$	1,111,237
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization, including amortization of debt issue costs		2,684,898
Net periodic pension cost		1,135,752
Pension contributions		(3,483,351)
(Gain) Loss on disposal of assets		859
Changes in operating assets and liabilities:		
Accounts receivable - net		2,122,110
Inventories, prepaid expenses and other assets		150,639
Accounts payable and other liabilities		(5,376,740)
Employee compensation and related liabilities		(2,875,179)
Other		(2,350,130)
		<hr/>
Net cash provided (used) by operating activities		(6,879,905)

### Investing Activities

Transfer to board designated fund		
Proceeds from sale of fixed assets		13,984
Capital expenditures		(1,406,335)
Other investing activities		
		<hr/>
Net cash used by investing activities		(1,392,351)

### Financing Activities

Proceeds from long-term debt		
Principal payments of long-term debt		
		<hr/>
Net cash used by financing activities		-
Net Inc/(Dec) in cash and cash equivalents		(8,272,256)
Cash transferred to Foundation as restricted		
Cash and cash equivalents at beginning of period		28,458,445
		<hr/>
Cash and cash equivalents at end of period		20,186,189
Board Designated Fund		45,386,384
Total Cash, Cash Equivalents & Board Designated Available	\$	<u><u>65,572,573</u></u>

# MARQUETTE GENERAL HOSPITAL

## SERVICE VOLUMES AND UTILIZATION

THREE MONTHS ENDED SEPTEMBER 30, 2011

<i>Adult Medical/Surgical and Pediatrics Utilization (excludes newborns)</i>		
	<i>Three Months Ended Sept. 30</i>	
	<i>2011</i>	<i>2010</i>
Days in Period	92	92
Licensed Beds <sup>1</sup>	234	234
Available Beds <sup>1,2</sup>	178	178
Admissions	1,829	2,012
Change over Previous Period	(9.1)%	
Patient Days	6,901	7,857
Average Daily Census	75.0	85.4
Average Length of Stay	3.8	3.9
Occupancy Rate <sup>3</sup>	42.1%	48.0%

<sup>1</sup> Corrects information previously reported by the Corporation  
<sup>2</sup> Available Beds were decreased from 192 to 178 in February 2009  
<sup>3</sup> Based on Available Beds

<b><i>Obstetrics Utilization</i></b>		
	<b><i>Three Months Ended Sept. 30</i></b>	
	<b><i>2011</i></b>	<b><i>2010</i></b>
Days in Period	92	92
Licensed Beds	0	0
Available Beds	12	12
Admissions	223	198
Change over Previous Period	12.6%	
Patient Days	633	537
Births	211	179
Average Daily Census	6.9	5.8
Average Length of Stay	2.8	2.7
Occupancy Rate <sup>1</sup>	57.3%	48.6%
<sup>1</sup> Based on Available Beds		

<b><i>Neonatal Intensive Care Utilization</i></b>		
	<b><i>Three Months Ended Sept. 30</i></b>	
	<b><i>2011</i></b>	<b><i>2010</i></b>
Days in Period	92	92
Licensed Beds	10	10
Available Beds	10	10
Admissions	61	63
Change over Previous Period	(3.2)%	
Patient Days	1,047	996
Average Daily Census	11.4	10.8
Average Length of Stay	17.2	15.8
Occupancy Rate <sup>1</sup>	113.8%	108.3%
<sup>1</sup> Based on Available Beds		

<b>Rehabilitation Utilization</b>		
	<b>Three Months Ended Sept. 30</b>	
	<b>2011</b>	<b>2010</b>
Days in Period	92	92
Licensed Beds	20	20
Available Beds	20	20
Admissions	115	106
Change over Previous Period	8.5%	
Patient Days	1,240	1,220
Average Daily Census	13.5	13.3
Average Length of Stay	10.8	11.5
Occupancy Rate <sup>1</sup>	67.4%	66.3%
<sup>1</sup> Based on Available Beds		

<b>Total Acute Care Utilization</b> <i>(Adult Medical/Surgical, Pediatrics, Obstetrics, NICU and Rehabilitation; excludes newborns)</i>		
	<b>Three Months Ended Sept. 30</b>	
	<b>2011</b>	<b>2010</b>
Days in Period	92	92
Licensed Beds <sup>1</sup>	264	264
Available Beds <sup>1,2</sup>	220	220
Admissions	2,228	2,379
Change over Previous Period	(6.3)%	
Patient Days	9,821	10,610
Average Daily Census	106.8	115.3
Average Length of Stay	4.4	4.5
Occupancy Rate <sup>3</sup>	48.5%	52.4%
<sup>1</sup> Corrects information previously reported by the Corporation		
<sup>2</sup> Available Beds were decreased from 192 to 178 in February 2009		
<sup>3</sup> Based on Available Beds		

<b><i>Behavioral Health Services Inpatient Utilization</i></b>		
	<b><i>Three Months Ended Sept. 30</i></b>	
	<b><i>2011</i></b>	<b><i>2010</i></b>
Days in Period	92	92
Licensed Beds <sup>1</sup>	51	51
Available Beds <sup>1,2</sup>	56	56
Admissions	385	377
Change over Previous Period	2.1%	
Patient Days	3,225	3,043
Average Daily Census	35.1	33.1
Average Length of Stay	8.4	8.1
Occupancy Rate <sup>3</sup>	62.6%	59.1%
<sup>1</sup> Corrects information previously reported by the Corporation <sup>2</sup> Figures include five Medical/Surgical beds used for detoxification <sup>3</sup> Based on Available Beds		

<b><i>Total Inpatient Utilization (Acute Care plus BHS; excludes newborns)</i></b>		
	<b><i>Three Months Ended Sept. 30</i></b>	
	<b><i>2011</i></b>	<b><i>2010</i></b>
Days in Period	92	92
Licensed Beds <sup>1</sup>	315	315
Available Beds <sup>1,2</sup>	276	276
Admissions	2,613	2,756
Change over Previous Period	(5.2)%	
Patient Days	13,046	13,653
Average Daily Census	141.8	148.4
Average Length of Stay	5.0	5.0
Occupancy Rate <sup>3</sup>	51.4%	53.8%
<sup>1</sup> Corrects information previously reported by the Corporation <sup>2</sup> Available Beds were decreased from 192 to 178 in February 2009 <sup>3</sup> Based on Available Beds		

<i>Emergency-Related Volume Indicators</i>		
	<i>Three Months Ended Sept. 30</i>	
	<i>2011</i>	<i>2010</i>
Emergency Department Visits	6,985	6,613
Change over Previous Period	5.6%	

<i>Surgical and Other Procedures</i>		
	<i>Three Months Ended Sept. 30</i>	
	<i>2011</i>	<i>2010</i>
Inpatient Surgeries	1,056	1,050
Outpatient Surgeries at the Hospital Facility	1,319	1,288
Outpatient Surgeries at the PMC	376	444
Total	2,751	2,782
Change over Previous Period	(1.1)%	
Percent Outpatient	61.6%	62.3%

<i>Ancillary Services</i> <i>(reflects new record-keeping as of FY2010Q1)</i>							
		<i>Three Months Ended September 30</i>					
		<i>Inpatient</i>		<i>Outpatient</i>		<i>Total</i>	
		<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Imaging	Radiology <sup>1</sup>	3,846	4,427	5,387	4,758	9,233	9,185
	Ultrasound <sup>1</sup>	1,151	1,183	1,916	1,546	3,067	2,729
	CT Scanning <sup>1</sup>	1,125	1,297	2,128	2,974	3,253	4,271
	Nuclear Medicine <sup>1</sup>	116	108	619	620	735	728
	MRI <sup>1</sup>	245	297	1,651	1,647	1,896	1,944
	Special Procedures (Interventional Radiology) <sup>1</sup>	842	1,037	1,000	917	1,842	1,954
	PMC Imaging Center <sup>1</sup>	34	41	2,776	2,254	2,810	2,295
	UPIMS Nuclear Medicine <sup>2</sup>	2	2	311	359	313	361
	UPIMS Echocardiography <sup>2</sup>	14	11	1,328	1,241	1,342	1,252
	UPIMS PET Scanning <sup>2</sup>	0	2	31	100	31	102
Rehabilitation Services	Physical Therapy <sup>3,4</sup>	2,397	2,248	810	1,682	3,207	3,930
	Occupational Therapy <sup>3,4</sup>	3,349	3,444	315	1,257	3,664	4,701
	Return to Work Therapy <sup>3,4</sup>			33	152	33	152
	Communications Rehab (Speech Therapy) <sup>3,4</sup>	747	923	226	766	973	1,689
	Marquette Rehabilitation <sup>3,4</sup>	1		2,988		2,989	
	Negaunee Rehabilitation <sup>3,4</sup>	0		445		445	
	UP Sports Medicine <sup>5</sup>			1,205	1,701	1,205	1,701
	Sawyer Rehabilitation <sup>3</sup>	0	3	839	846	839	849
	Escaaba Rehabilitation <sup>3</sup>			1,387	1,320	1,387	1,320
Cardiac Services	Cardiac Imaging <sup>6</sup>	211	250	464	416	675	666
	Cardiac Rehabilitation <sup>1</sup>	0	0	2,206	2,430	2,206	2,430
	Cardiographic Services <sup>1</sup>	1,796	2,120	3,039	3,512	4,835	5,632
	Perfusion <sup>5</sup>	37	48			37	48

**Ancillary Services**  
*(reflects new record-keeping as of FY2010Q1)*

		<b>Three Months Ended September 30</b>					
		<b>Inpatient</b>		<b>Outpatient</b>		<b>Total</b>	
		<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Other</b>	Endoscopy <sup>1</sup>	229	247	928	529	1,157	776
	Laboratory <sup>1</sup>	76,927	79,672	174,948	164,732	251,875	244,404
	Neurophysiology <sup>1</sup>	512	703	1,191	1,122	1,703	1,825
	Hemodialysis <sup>7</sup>	204	270	2,519	2,129	2,723	2,399
	Pulmonary Function <sup>1</sup>	57	64	562	678	619	742
	Respiratory Care <sup>3</sup>	7,788	9,130	985	859	8,773	9,989
	Radiation Oncology <sup>1</sup>	102	101	2,643	3,616	2,745	3,717
	Specialty Clinic <sup>8</sup>	0	4	759	652	759	656
	Pain Management <sup>9</sup>	0		291		291	

<sup>1</sup> Procedures

<sup>2</sup> UPIMS is the U.P. Imaging Management Services, LLC, the formal name for the Corporation's joint venture with its affiliated cardiologists which became effective on May 1, 2010

<sup>3</sup> Hours

<sup>4</sup> Management of services outsourced as of August 1, 2011; volumes since then recorded in the Marquette and Negaunee Rehabilitation rows

<sup>5</sup> Relative Value Units

<sup>6</sup> Patients

<sup>7</sup> Runs; includes acute dialysis runs

<sup>8</sup> Service (pediatric subspecialties) provided prior to FY2011, but volumes were not previously reported

<sup>9</sup> Service commenced in April 2011

<b><i>Physician Practice Volumes (in Relative Value Units)</i></b>		
	<b><i>Three Months Ended Sept. 30</i></b>	
	<b><i>2011</i></b>	<b><i>2010</i></b>
Family Care Doctors <sup>1</sup>	12,289	12,008
Doctor's Park Family Physicians	3,143	3,995
Iron River Clinic	1,479	1,617
Gladstone Clinic	1,625	1,055
Kingsford Clinic	4,931	5,760
Chippewa Medical Associates	6,352	5,130
Negaunee Clinic	1,818	1,573
Lakewood Clinic	2,443	1,906
Trenary Clinic	311	284
Grand Marais Clinic	81	77
Gwinn/Sawyer Clinic <sup>2</sup>	4,827	4,143
UP Hematology/Oncology (multiple sites) <sup>3</sup>	8,886	9,423
Professional Surgical Services	2,120	2,033
Neurology Associates	5,359	5,310
Pediatric Specialists	4,162	3,195
UP Internal Medicine <sup>4</sup>	10,213	6,454
Infectious Diseases <sup>4</sup>	0	3,794
Respiratory Medicine	4,356	4,080
Occupational Medicine	2,228	2,046
Professional Sports Medicine	1,542	1,286
Physiatry <sup>5</sup>	1,099	
Neuropsychiatric Rehabilitation	1,134	834
Women's Health Services <sup>6</sup>	355	251
Marquette General Neurosurgery	11,760	14,088
Urology Services	4,013	4,321
Endocrinology Services	1,250	1,260
Behavioral Health – Marquette	13,298	11,813
Geriatric Psychiatry <sup>7</sup>	0	235

<b>Physician Practice Volumes (in Relative Value Units)</b>		
	<b>Three Months Ended Sept. 30</b>	
	<b>2011</b>	<b>2010</b>
Professional Radiology	13,233	12,585
Professional Radiation Oncology (DCHS)	908	1,595
Professional Neonatology	3,551	3,540
Professional Gastroenterology	657	326
Professional Orthopedics	3,145	3,044
Professional Bariatric Surgery	4,938	4,207
Emergency Medical Associates	17,659	19,548
Intensivists and Hospitalists	101	167
Audiology <sup>8</sup>	61	64
Digestive and Liver Specialists <sup>9</sup>	4,344	
<b>Total Relative Value Units</b>	<b>159,671</b>	<b>153,047</b>
<sup>1</sup> Includes RVUs generated by Family Practice residents <sup>2</sup> Service commenced in March 2009; Gwinn and Sawyer locations combined in FY2011 <sup>3</sup> Ironwood location discontinued in September 2010 <sup>4</sup> Practices combined as of April 2011 <sup>5</sup> Service commenced in October 2010 <sup>6</sup> Service formally discontinued in August 2010, but certain services continue to be provided on an on-call basis <sup>7</sup> Physician on leave of absence during FY2012Q1 <sup>8</sup> Service volumes reported among ancillary services prior to FY2011 <sup>9</sup> Service commenced in January 2011		